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TODAY: LEISURE in Southern India, Page 9

'Begged' by Tutu, Mandela Says She's Sorry

By Lynne Duke
Washington Post Service

JOHANNESBURG — Accused for a decade of involvement in murder and torture commited by her former bodyguards, Winnie Madikizela-Mandela publicly defended herself Thursday, boldly telling South Africa's truth commission that all allegations against her were "fabrications" and that most who testified against her had told "lies."

In nearly 10 hours of combative testimony, the former wife of President Nelson Mandela lambasted her detractors within the anti-apartheid movement and took potshots at the current government.

Most disturbing to the Truth and Reconciliation Commission, however, is that Mrs. Madikizela-Mandela, 63, took no responsibility for the activities of her infamous Mandela United Football Club, whose members lived on her property in the black township of Soweto in the 1980s, where they acted as her bodyguards and allegedly tortured suspected informers and plotted murders that struck fear into the township's heart. Three dozen witnesses testified in nine days of hearings that told of a dozen murders, several assaults and abductions and a reign of terror associated with Mrs. Madikizela-Mandela's name.

But after a day of denials, Mrs. Madikizela-Mandela offered no hand of reconciliation to assembled victims of her bodyguards — until Archbishop Desmond Tutu, the truth commission chairman, begged her to do so.

Invoking the historic bond of the famous Mandela and Tutu family names in Soweto, Archbishop Tutu said that something in Mrs. Madikizela-Mandela's once-great life had gone "horribly, badly wrong."

"I beg you, I beg you, I beg you," he implored.

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Peter Andrews/Reuters

Joyce Seipei, left, mother of the 14-year-old who was beaten and allegedly murdered at Winnie Mandela's home, as she unexpectedly approached Mrs. Mandela and kissed her Thursday.

EU's Tobacco Ban Will Take 8 Years

Health Chiefs Outlaw All Ads, Including in Formula One

By Barry James
International Herald Tribune

BRUSSELS — European Union health ministers agreed late Thursday on a ban on all forms of tobacco advertising, but the long-sought curb emerged as a low-nicotine version of the original proposal.

Officials said the agreement, which was reached after nearly 12 hours of talks in Brussels, would not take force until well into the next century.

Under the agreement, sponsorship of sports and cultural events by tobacco companies will continue at least five, and up to eight, more years.

"Worldwide" events, such as Formula One auto racing, will also be granted eight more years before the ban becomes effective.

Diplomats said that the delay had been designed to allow recipients of tobacco cash to find other forms of funding. The Formula One industry had threatened to move to Asia if the ban was imposed immediately.

The agreement was expected to begin taking effect next year, after approval by the European Parliament.

EU governments have come under pressure from cigarette makers and activities that receive financing from tobacco companies, such as Formula One racing.

Supporters of the ad ban had difficulty getting the necessary votes at a meeting of European Union health ministers here after Spain unexpectedly and with little explanation said it would abstain.

Tessa Jowell, the British minister responsible for public health, demanded that Formula One racing be given a 10-year exemption from the sponsorship ban. She has strongly denied that her husband's position as a former director of a Formula One team played any part in her decision to exempt the sport.

The issue has seriously damaged the credibility of the British government of Prime Minister Tony Blair, which after a series of evasions had to admit that the ruling Labour Party had sought and obtained £1 million ($1.68 million) in campaign financing from the president of the Formula One Constructors' Association, Bernie Ecclestone.

Under a hail of public and parliamentary pressure, the party handed back the money, Mr. Blair indignantly denied that he had been pressured by Mr. Ecclestone and the government went back on its pre-election pledge to outlaw tobacco ads. The government's U-turn was a setback for Health Minister Frank Dobson, who earlier announced radical proposals against sponsorship.

It also drew the ire of other sports organizations in Britain, particularly snooker, that take money from the tobacco industry.

In an attempt to reach a compromise, Luxembourg, which holds the rotating EU presidency, proposed that countries should be given up to nine years to phase out existing sponsorship arrangements, far longer than sought by several countries and the European Commission, the EU's executive body.

No sport is as dependent on tobacco cash as automobile racing. Seven of the 11 Formula One teams are sponsored by tobacco companies, while BAT Indus-

See TOBACCO, Page 24

U.S. Presses For Speedier Holocaust Payments

By Alan Cowell
New York Times Service

LONDON — At the close of the first major international conference on the Nazi gold affair, the United States sought Thursday to increase pressure for compensation to be paid to hundreds of thousands of aging Holocaust survivors within the next two years.

"We must not enter a new century without completing the unfinished business of this century," Stuart Eizenstat, the leading U.S. negotiator on Nazi gold, told reporters, urging a cutoff date of Dec. 31, 1999, to complete historical inquiries and pay compensation.

"This is a biological problem," he said, referring to the advanced years of many Holocaust survivors in Eastern Europe, many of whom are in their 70s and 80s. The United States wants them to receive compensation and acknowledgment before they die.

"We must not allow this to degenerate into a biological solution," Mr. Eizenstat added.

The remarks were intended to build a sense of urgency after 18 months of growing scrutiny of Europe's wartime history that has spread from initial disclosures about Switzerland's role as the leading banker to the Third Reich to a host of other dark histories in neutral and occupied lands.

With the closing of the conference Thursday, the focus of the debate is likely to shift to New York where, according to a U.S. official, Swiss banks facing class-action suits from Holocaust survivors and their heirs are likely to come under mounting pressure to reach an out-of-court settlement within the next few months. On Monday, moreover, U.S. city and state financial officers are to meet in New York to discuss whether to continue punitive action against some Swiss private banks.

See GOLD, Page 8

Strange Footfellows: Cup Draw Pairs U.S. and Iran

By Anne Swardson
Washington Post Service

MARSEILLE — The draw Thursday for the first round of next summer's soccer World Cup produced a string of interesting matchups between different continents and different cultures, but none more intriguing than the pairing between the United States and Iran in Group F.

The clash in Lyon on Sunday, June 21, is believed to be the first meeting between the two countries in sporting competition since before the 1979 Iranian revolution.

The match was made randomly Thursday as part of the 32-nation draw for the tournament. Overall, the draw produced eight fairly evenly matched groups that will slug it out with each other round-robin in order to advance to the elimination rounds.

The kickoff match, June 10 at the new $700-million Stade de France north of Paris, will pit defending champion Brazil against Scotland. France, the host country, will play South Africa two days later in Marseille in the Velodrome stadium where the draw was held Thursday. Other tough early matches could be Spain vs. Nigeria, Netherlands vs. Belgium and Italy vs. Chile.

Sites of World Cup Matches

1998 Soccer World Cup Draw

GROUP A	GROUP B	GROUP C	GROUP D
1 Brazil	1 Italy	1 France	1 Spain
2 Scotland	2 Chile	2 South Africa	2 Nigeria
3 Morocco	3 Cameroon	3 Saudi Arabia	3 Paraguay
4 Norway	4 Austria	4 Denmark	4 Bulgaria
GROUP E	**GROUP F**	**GROUP G**	**GROUP H**
1 Netherlands	1 Germany	1 Romania	1 Argentina
2 Belgium	2 United States	2 Colombia	2 Japan
3 South Korea	3 Yugoslavia	3 England	3 Jamaica
4 Mexico	4 Iran	4 Tunisia	4 Croatia

The United States will open June 15 against Germany, the 1990 World Cup winner. The group also includes Yugoslavia.

"This is a very difficult group," said Steve Sampson, the U.S. coach. "We have a number of players with experience playing Germany. The United States could be the surprise of the tournament, and we have every expectation of being in the second round."

With the exception of Iraq, which did not qualify, it would be hard to imagine two countries with less love for each other than the United States and Iran. The Iran-Libya Sanctions Act prohibits not just American companies but foreign ones as well from doing business with Iran, raising questions about whether the six American companies that sponsor the World Cup may come into conflict with the law.

In 1979, when a fundamentalist revolution overthrew the Shah and brought Ayatollah Ruhollah Khomeini to power, 52 American hostages were held for more than a year in the U.S. Embassy. Later, the U.S. military accidentally shot down an Iranian commercial jetliner.

With the completion of the draw, the stage is set for the 1998 World Cup. This one is larger — 32 teams compared with 24 in the United States in 1994 — and will last longer, with 64 games instead of 52. The games will be played at 10 sites in nine French cities. France last played host to the World Cup in 1938.

See SOCCER, Page 24

A 'David vs. Goliath' Test for Mexico City's Mayor

Growth of Democracy on Trial In Virtually Ungovernable City

By Molly Moore and John Ward Anderson
Washington Post Service

MEXICO CITY — As a youngster, Cuauhtemoc Cardenas lived in one of the world's great capitals, a temperate oasis of lovely parks and colonial plazas nestled in a high valley surrounded by snow-capped mountains and volcanoes. Six decades later, on the eve of his inauguration as mayor, Mexico City is considered one of the world's most corrupt, overcrowded, polluted and crime-infested megalopolises, a dysfunctional city with mounting debt, horrendous traffic and poisonous air. It is here, where the police are as likely to rob citizens as protect them, where jogging can be as hazardous to your health as smoking, and where corruption is so rampant that every city service — from obtaining a driver's license to mail delivery — requires a bribe, that Mr. Cardenas will be sworn in Friday.

Mexico vows to combat police graft. Page 3.

He will be the first modern-day elected mayor of Mexico City, the most powerful elective office ever won by an opposition candidate in the nearly 70-year, unbroken rule of Mexico by the Institutional Revolutionary Party. For Mr. Cardenas, 63, and for his leftist Democratic Revolutionary Party, the next three years of running what many analysts believe is a virtually ungovernable city is being viewed as a crucial experiment in the democratic evolution of the country.

How Mr. Cardenas copes with the city's numerous problems, and whether the governing party sabotages his administration, will help determine whether he or another opposition candidate has a chance of winning the presidency in the year 2000 and ending the Institutional Revolutionary Party's hold on Mexico's highest office.

"He's gambling his political future," said Homero Aridjis, a prominent writer and a long-time political associate of Mr. Cardenas's from their home state of Michoacan in southwest Mexico. Mr. Cardenas served

See MEXICO, Page 8

AGENDA

National Election Ordered in India

A reluctant India prepared for its second national election in less than two years after President K.R. Narayanan dissolved Parliament on Thursday and ordered a vote by the middle of March.

The decision ended two weeks of uncertainty and followed a recommendation by the cabinet of the caretaker prime minister, Inder Kumar Gujral, whose coalition government collapsed last week. Page 6.

U.S.-Israeli Talks

PARIS (AFP) — Prime Minister Benjamin Netanyahu of Israel is to hold talks Friday in Paris with the U.S. secretary of state, Madeleine Albright, who has pressed for a renewal of the stalled Middle East peace process, officials confirmed Thursday.

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Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

Clinton Prods At Town Hall Talk on Race

By Peter Baker
and Michael A. Fletcher
Washington Post Service

AKRON, Ohio — He poked and prodded and preached. He wandered the stage with microphone in hand and often challenged his audience. When is voluntary segregation acceptable? What difference does it make for whites and blacks to socialize together? Is it time for government to stop helping people based on race and focus instead on class?

The answers were not always as blunt as the questions. But as President Bill Clinton played host to his first town hall meeting on race Wednesday, he labored to draw out frank talk about the lines that divide this Midwestern industrial city and, by extension, get the nation to explore perhaps its most vexing and volatile social issue.

"What we're trying to do here is drop a pebble in the pond and have it reverberate all across America," Mr. Clinton said. "If we can find constructive ways for people to work together, learn together, talk together, be together, that's the best shot we've got to avoid "some of the difficult problems we've had in our history."

Ruth Fremson/The Associated Press

President Clinton at the televised town hall meeting in Akron, Ohio.

Never before has a president personally conducted such a public discussion on race in America. For two hours, as a national television audience watched, Mr. Clinton and 67 college students, civic leaders and business executives recounted their experiences with people of different colors.

From a white man who admitted fearing black men on the street to a biracial youth insulted because his checks are held up at the bank, the talk at times touched on the most sensitive and poignant of human relations.

Yet as divisive as race has been in the American political arena lately, the inaugural forum produced more an-

See RACE, Page 8

IMF's Conditions Breed Resentment in Seoul

Politicians Denounce Strict Terms of Bailout

By Don Kirk
Special to the Herald Tribune

SEOUL — Politicians from both the governing and opposition parties attacked the South Korean government Thursday for yielding to key demands of the International Monetary Fund in return for at least $57 billion in funds to bail out the nation's troubled economy.

At the same time, the country's stock market and currency increased in value — a sign of relief that South Korea has bought time for the debt-ridden *chaebol*, or conglomerates, that many blame for its financial crisis.

Japan's economy "stalled." Page 15.

The contrasting reactions dramatized the mixed feelings of South Koreans as their country faced the prospect of more bankruptcies, mass dismissals, demonstrations and turmoil over the next year of what is sardonically called here "IMF supervision."

The political criticism comes in the midst of a heated presidential campaign. The fact that all three major candidates for president in the election on Dec. 18 had signed statements of support for the agreement was overlooked as the two front-runners vied with each other to unleash the strongest opposition to the IMF plan.

Wednesday, the day on which the Fund's managing director, Michel Camdessus, and Finance Minister Lim Chang Yuel signed the deal, was proclaimed "National Humiliation Day" by the National Congress for New Pol-

See KOREA, Page 8

The Dollar		
New York	Thursday @ 4 P.M.	previous close
DM	1.7708	1.7715
Pound	1.6675	1.684
Yen	129.33	128.725
FF	5.9275	5.9327

The Dow		
	Thursday close	previous close
+18.15	8050.16	8032.01

S&P 500		
change	Thursday @ 4 P.M.	previous close
-3.67	973.10	976.77

Corporate Divorce / **High-Stakes Divestiture in Connecticut**

He Did the Job, He Gets (Most of) the Money

By Judith H. Dobrzynski
New York Times Service

STAMFORD, Connecticut — In a high-stakes divorce case closely watched in corporate suites around the United States, a judge has awarded the wife of a top General Electric Co. executive half of their cash, stocks and other hard assets, plus a part of his stock options and future pension benefits.

According to his lawyers, the award is worth about $20 million. In an estate valued by her side at as much as $130 million, that would be far less than the 50 percent she had claimed for contributing to his success.

The ruling Wednesday, dissolving the marriage of Gary Wendt, 55, chief executive of GE Capital Corp., General Electric's most profitable subsidiary, and Lorna Wendt, 54, had been awaited by many people as a possible verdict on how much a stay-at-home spouse contributes economically to a marriage.

But the judge, Kevin Tierney of Connecticut state Superior Court in Stamford, did not give his reasoning in outlining the complicated settlement.

In the case, Mrs. Wendt presented herself as someone who had helped put her husband through Harvard Business School, gave up her career as a music teacher to rear two daughters, created an elegant home, gave dinner parties for his clients and co-workers, accompanied him on business trips and provided daily support — all of which contributed to his success.

Mr. Wendt disputed her claim, saying in court that his wife was not interested in his business.

The case is also important because it deals with how assets like stock options should be valued in a divorce settlement — an issue for a growing number of couples as executive pay has soared, fueled by the more frequent use of stock options and deferred compensation.

Both sides said they were happy, to some extent, with the ruling.

"One point we were trying to make is that these valuable future assets are marital property, subject to division," said Arnold Rutkin, a lawyer for Mrs. Wendt. He said the award was worth more than $20 million — Mr. Wendt's figure — but he could not yet tell how much more.

He added: "We are not happy with the amount, but we definitely made the point. Some of the boys in the boardrooms will be really unhappy when they read this."

In a statement, Mr. Wendt said, "Despite the extensive publicity to the contrary generated by Mrs. Wendt, the principal issue in this case was not the relative contribution of the nonworking spouse versus the working spouse, but rather the division of future earnings after the nonworking spouse has been generously rewarded."

Neither side ruled out an appeal.

Judge Tierney said he would give his reasoning in a 450-page document, a draft of which he waved before Mrs. Wendt, various lawyers and about 30 reporters who had crowded into a small courtroom in Stamford, where GE has its headquarters. Mr. Wendt, who was delivering a speech in New Jersey, was not among them.

Richard Freeda/The Associated Press

Lorna Wendt outside the court Wednesday. Said she gave up her career to advance her husband's. A judge apparently decided that this did not entitle her to half his assets.

The Wendts, high school sweethearts in tiny Rio, Wisconsin, married soon after they graduated from college in 1965. Mrs. Wendt said that when her husband told her he wanted a divorce in 1995, she was shocked that he offered her a settlement worth about $10 million. She felt entitled to half, including his stock options, restricted stock holdings, deferred compensation and pension benefits. Her side valued the estate at $100 million, a figure that may now be as high as $130 million as the stock market has rallied.

Mr. Wendt's side argued that assets such as the stock options, which have a future value, should not be part of the tally because they would be contingent on his performance after the divorce and on his continued employment at General Electric until his retirement. In the last year, his side said, the estate's total value has grown to perhaps $45 million from around $25 million.

In the settlement, Judge Tierney struck a course that bowed to Mrs. Wendt's reasoning but delivered a result closer to Mr. Wendt's view. In addition to homes in Stamford and Florida worth about $2.8 million, he gave Mrs. Wendt half the cash, stock and bond holdings, worth $7.9 million; alimony of $252,000 a year, and an annual cash payment equal to half the projected dividends from 199,000 shares of restricted stock.

Mr. Wendt gets to keep the stock, but the judge also awarded Mrs. Wendt half the value of his qualified pension plan and about 28 percent of his long-term performance award — neither of which will be available until the future.

Mrs. Wendt will also get private-club memberships in Connecticut and Florida and a Macy's credit card entitling the holder to a 45 percent lifetime discount at the department store chain.

Mr. Wendt will keep all of his supplemental pension plan, his 401k retirement plan, all deferred compensation and various properties.

As in most other states, divorce law in Connecticut calls for equitable, not equal, distribution of a couple's assets, leaving the judge to consider the length of the marriage, the contributions each partner made, fault, need and other circumstances in dividing the pot.

In equitable distribution states, judges have tended to mandate a 50-50 split only if the assets are worth less than $10 million to $15 million. Anything beyond that goes to the breadwinner, usually the husband — a concept sometimes known as the "enough-is-enough" standard because judges feel a spouse, usually the wife, who is getting millions in a divorce settlement will have more than enough to maintain her lifestyle.

COURTS have differed on whether to divide assets that were accumulated during a marriage but have value that will be realized in the future. The New York state Court of Appeals recently reversed a lower court's conclusion that stock options granted during a marriage are entirely marital property, calling for a time-based formula to determine who is entitled to what.

The ruling agreed with an influential decision by the Colorado Supreme Court, which held that options granted during a marriage for past service are marital property, while those granted for services after a divorce are not.

Mrs. Wendt recently started the Foundation for Equality in Marriage to advocate that marriage is a partnership of equals. Through it, she hopes to make the case that society should view both monetary and nonmonetary contributions to a marriage with equal weight. In a statement issued before the ruling, Mrs. Wendt said, "My new career will be devoted to raising these topics and convincing the courts to examine the value of the parent's love versus a spouse's paycheck."

Last Livonians Struggle To Save Their Language

By Michael Specter
New York Times Service

RIGA, Latvia — The torturous events of the 20th century don't interest her much. She holds no views on nationalism. She has always been bored by crusades and movements.

But more than most people in the world today, Pauline Klavina lives with the burden of history. That is because at the age of 80, Mrs. Klavina is one of the last Livonians.

When she dies she will take to her grave much of a heritage that has been alive, and at times booming, for 5,000 years.

It is hard to imagine now, looking into her frail, fading eyes, that Livonians once ruled the icy seas around the Baltic countries, sweeping down more than a millennium ago from Finland through what is now Estonia and Latvia.

"There are at least four of us left," she said, referring to people who consider Livonian their native language. "There may be more. I like to think we will all make it past the year 2000 — into one more era. But I prefer not to think about the end."

Yet, even she knows that the end is surely near. Languages depend, of course, on the vitality of the people who speak them. And in this era of superpowers, telephones, the global village and economic integration, they are vanishing at a rate that has never been matched.

More than 6,000 languages are spoken in the world today, but linguists say that within a generation at least half of them will be gone.

"The world is getting very small, and these cultures are the victims," said Kersti Boiko, chairman of the Finno-Ugric language program at the University of Latvia. Linguistically, Livonian is related to northern tongues like Estonian, Finnish, Votish and Karelian.

"Of course, Finnish and Estonian will remain," she said. "But in 50 years the others will be gone."

It is a harsh sentence, but this is not the first century in which the power of individual languages atrophied. Latin speakers once ruled the world. So who should care about the disappearance of a moribund fishing culture that started its decline more than 400 years ago.

"I have never understood," said Mara Zirnite, a researcher in cultural history at the Latvian Academy of Sciences, "why it is more important to save the tiger than to save a culture that has been on Earth for thousands of years. That just never made sense to me."

Mrs. Zirnite is working on an oral and photographic history project in an attempt to preserve what she can of Livonia in today's Latvia.

"Cultures are not like restaurants or even people," she said.

"For humans it is simple: You are born, you die and then you are gone. But cultures can live forever. Why should we have to go around searching for the shards of a society as if it were ancient pottery? But once a language is gone, that is what we have to do."

Livonians have always been sea people. Their folk calendar divided the year into two parts: the time for fishing and the period, when the seas were rough, to make nets. Their marshy land was poor, and farming was nearly impossible. Their myths involve boats and brave men fighting towering waves.

Michael Specter/The New York Times

Pauline Klavina says of her culture: 'There are at least four of us left.'

Today, Livonia is the descriptive term for an 80-kilometer (50-mile) strip of land along the coastal region of northwestern Latvia.

Uldis Balodis, a Latvian living in the United States who has studied the culture, says that about 2,000 people live there, but none consider Livonian their native language. And that is why most experts believe that the culture is in peril.

Mrs. Zirnite is doing everything possible to prevent the day when Livonian disappears. She offers a class in its culture and has encouraged young people of Livonian ancestry to try to study the language.

The Soviet Union did much to hasten the death of Livonia by moving many of its people from their coastal villages and by forbidding the language to be taught in schools. Since the end of Soviet power, Latvia has helped to re-establish the heritage.

Every summer there is a Livonian folk camp attended by about 10 children in the town of Mazirbe, on the northwest coast. There are feasts and gatherings and classes and traditional games.

But none of the children speak the language of their ancestors.

"It is hard," said Renate Blumberga, 26, a student of Livonian history and language. Ms. Blumberga speaks only a little of the language, but she is determined to learn more.

"I have decided that if I can do something to keep this language living," Ms. Blumberga said, "it will be a worthwhile goal."

Mrs. Klavina certainly agrees. Speaking in Latvian, she says that sometimes even she loses the ability to talk in her native language. Since her husband died 30 years ago, the opportunities for casual conversation are few.

But she still dreams in Livonian, she insists, and she willingly recites her poetry in the language as well. You can almost hear the loss in rhythms of her sad speech:

"My language is the tongue of the sea
It sounds like a divine voice
I shall never forget it
As I cannot forget my mother."

U.S. Rejects Quick-Fix Approach to Airliner Fuel Tank Blasts

By Don Phillips
Washington Post Service

WASHINGTON — The Federal Aviation Administration has formed a technical group to report within six months on ways to prevent aircraft fuel tank explosions, saying the agency has concluded that "improvements can be made that will greatly reduce, if not eliminate" explosions such as the one the brought down Trans World Airlines Flight 800 last year.

However, the aviation's administrator, Jane Garvey, rejected all the National Transportation Safety Board's recommendations for short-term actions to reduce possible explosions in Boeing 747 center fuel tanks, including putting colder fuel into the tank just before takeoff.

The safety board investigated the crash of the Paris-bound plane that went down off the coast of New York on July 17, 1996, killing 230 people, and is holding a weeklong hearing on the crash in Baltimore next week. The safety board can only recommend new safety actions to the Federal Aviation Administration, which has regulatory power.

The board has determined that the center fuel tank of the Boeing 747 exploded, bringing down the plane. The source of ignition remains a mystery.

However, the board recommended last Dec. 13 that action be taken to prevent explosive mixtures from forming in the tank.

Ms. Garvey, in a letter Wednesday to the safety board's chairman, Jim Hall, essentially said that there was no quick fix to the problem, but that a long-term solution was possible.

This is a change in position for the aviation agency, which in the past has said the only way to prevent tank explosions is to be certain there is no possible ignition source inside the tank.

TRAVEL UPDATE

Japan Assists Syrian Sites

DAMASCUS (AP) — Japan agreed Thursday to give Syria $433,000 to purchase technical equipment for the restoration and maintenance of Damascus Citadel, an 11th-century monument.

The two countries have also agreed to jointly establish a museum for natural history in Asaad Pasha Khan, in old Damascus, to house artifacts found by Syrian-Japanese archaeological teams in several prehistoric sites in Syria. Work on the museum will begin by the beginning of 1998, officials said.

Bus Strike Slows Marseille

MARSEILLE (Reuters) — A strike by bus and trolley-car drivers Thursday paralyzed road traffic in this Mediterranean city just hours before the World Cup soccer finals draw was due to take place.

The stoppage, to press demands for wage increases, was due to last 24 hours. The city's two subway lines, however, were running normally.

Aeroflot-Russian International Airlines pilots' union announced Thursday a one-day strike for Dec. 12. *(Reuters)*

British Airways said Thursday that it had extended a code-sharing agreement with Qantas to cover the "kangaroo route" between Britain and Australia. Passengers will be able to choose between all flights operated by the two airlines on services between London and Australia via Singapore. *(AFP)*

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Correction

A chart on Page 1 in Thursday's editions incorrectly described changes in the value of the currencies of South Korea, Indonesia and Thailand this year as well as of the Mexican peso in 1994-95. The percentage changes in the chart represented the rise in the value of the dollar against those currencies, not the fall in those currencies against the dollar.

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every Saturday in the IHT.

WEATHER

Europe

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Algarve	11/52	6/43 s	15/59	10/50 s
Amsterdam	4/39	3/37 c	10/50	9/48 r
Ankara	4/39	2/35 sh	6/43	2/35 r
Athens	18/59	14/57 r	20/68	14/57 pc
Barcelona	8/46	3/35 c	8/46	4/39 s
Belgrade	1/34	-4/25 c	1/34	0/32 c
Berlin	-2/28	-3/27 pc	5/41	4/39 c
Brussels	3/37	1/34 c	8/46	8/46 r
Budapest	1/34	-3/27 sn	0/32	-3/27 pc
Copenhagen	2/35	2/35 c	6/43	4/39 sn
Costa Del Sol	19/50	6/43 r	15/59	9/48 pc
Dublin	10/50	9/48 r	13/55	11/52 r
Edinburgh	8/46	7/44 r	12/53	11/52 r
Florence	5/41	-2/29 c	5/41	-1/31 pc
Frankfurt	-2/29	-3/27 pc	2/35	2/35 sn
Geneva	2/35	-4/25 pc	0/32	-1/31 c
Helsinki	-3/27	-5/24 pc	0/32	-1/31 sn
Istanbul	9/48	6/43 c	9/48	9/48 c
Kiev	3/37	-3/27 sn	-3/27	-7/20 sn
Las Palmas	23/73	16/61 s	21/70	17/62 s
Lisbon	8/46	4/39 s	13/55	8/46 s
London	7/44	6/43 pc	14/57	11/52 pc
Madrid	5/41	-5/24 pc	9/48	3/37 pc
Mallorca	13/55	5/41 r	12/53	3/37 pc
Milan	3/37	-4/25 pc	3/35	-3/27 s
Moscow	-1/31	-2/29 sn	-1/31	-5/24 sn
Munich	2/29	-2/16 c	-1/31	-4/25 c
Nice	9/48	2/35 pc	10/50	4/39 s
Oslo	0/32	-3/29 c	-4/29	2/35 sn
Paris	4/39	0/32 c	7/44	7/44 c
Prague	2/29	-6/22 c	0/32	-2/29 c
Reykjavik	3/37	3/37 pc	6/43	4/39 r
Riga	-2/29	-6/22 pc	1/34	0/32 c
Rome	8/46	6/43 r	11/52	6/43 r
St. Petersburg	-2/29	-7/20 pc	-1/31	-6/21 pc
Stockholm	-2/29	-2/29 pc	3/37	-1/31 sn
Strasbourg	1/34	-3/27 pc	3/35	2/35 c
Tallinn	-2/29	-4/25 pc	1/34	1/34 sn
Tbilisi	14/57	4/39 c	13/55	4/39 c
Venice	3/37	0/32 pc	3/35	-3/27 s
Vienna	-1/31	-7/20 pc	1/34	-1/31 pc
Warsaw	-2/29	-7/20 pc	-1/31	-5/29 c
Zurich	1/34	-4/25 pc	-1/31	-1/31 sf

Middle East

Abu Dhabi	29/84	19/66 s	29/73	14/57 r
Beirut	28/71	15/59 pc	23/71	16/61 pc
Cairo	24/75	17/62 s	27/80	16/61 pc
Damascus	19/64	7/44 pc	23/73	9/48 pc
Jerusalem	17/62	9/48 s	19/66	11/52 s
Luxor	27/80	6/43 s	29/84	12/53 s
Riyadh	18/64	12/53 sh	20/68	9/48 s

Africa

Algiers	21/70	11/52 c	14/57	6/43 c
Cape Town	20/68	14/57 pc	22/71	13/55 c
Casablanca	10/50	4/39 pc	15/59	9/48 pc
Harare	27/80	11/52 pc	29/79	11/52 c
Lagos	32/89	24/75 pc	31/88	24/75 pc
Nairobi	27/80	14/57 c	29/82	13/55 pc
Tunis	22/71	12/53 pc	19/66	7/44 sh

Forecast for Saturday through Monday, as provided by AccuWeather.

Jetstream — Unseasonably Cold — Unseasonably Mild — Heavy Rain — Heavy Snow

North America
A Pacific storm will spread soaking rain over California Saturday and Sunday and maybe heavy snow to the central Rockies Monday. Dry and turning milder in the central and northern Plains, while the Northeast will be windy and cold this weekend with flurries likely.

Europe
Milder with lots of sunshine in England Saturday, but cooler with showers likely by Monday. A Mediterranean storm will spread soaking rain across southern Italy, Greece and the Balkan region, while Spain will be sunny and pleasant. Mainly dry but chilly over central and eastern Europe.

Asia
Frigid air will bring rain and snow to Beijing Saturday, then cold with flurries Sunday and Monday. Quite mild in Tokyo with just a stray shower. Very cold in Mongolia with snow and flurries. The leading edge of that cold air will plunge southward across eastern China: as far as Hong Kong.

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hca, W-Weather.

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Asia

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Almaty	-2/29	-11/13 s	3/37	-7/20 s
Bali	33/91	23/71 pc	33/91	22/71 pc
Bangkok	31/88	23/71 pc	31/88	23/71 c
Beijing	4/39	2/35 sn	5/41	-2/29 sn
Bombay	29/84	19/66 pc	29/84	21/70 pc
Calcutta	27/75	14/57 s	28/79	14/57 s
Chiang Mai	29/84	16/61 pc	29/84	17/62 pc
Colombo	30/86	23/73 sh	29/84	23/73 sh
Hanoi	26/79	21/70 c	27/80	22/71 pc
Ho Chi Minh	32/89	23/73 c	32/89	23/73 pc
Hong Kong	25/77	22/71 c	26/77	22/71 r
Islamabad	21/70	3/37 pc	21/70	3/37 pc
Jakarta	31/88	23/73 pc	30/86	23/73 pc
Karachi	27/80	11/52 s	28/79	11/52 s
K. Lumpur	29/84	23/73 t	31/88	22/71 c
K. Kinabalu	29/84	23/73 r	29/84	23/73 pc
Manila	29/84	21/70 pc	29/84	21/70 pc
New Delhi	23/73	5/41 s	24/75	4/39 s
Phnom Penh	31/88	23/73 c	31/88	23/73 pc
Phuket	31/88	22/71 pc	31/88	23/71 c
Pyongyang	30/86	18/66 pc	30/86	19/66 pc
Seoul	9/48	2/35 pc	10/50	5/41 r
Shanghai	17/62	17/62 r	18/64	12/53 r
Singapore	29/84	22/71 r	29/82	22/71 c
Taipei	28/79	20/68 pc	27/80	21/70 pc
Tokyo	12/53	8/46 s	14/57	10/50 sh
Vientiane	30/86	17/62 pc	30/86	18/64 pc

North America

Anchorage	2/35	-1/31 f	1/34	-4/25 pc
Atlanta	8/46	-1/31 pc	4/39	0/32 s
Boston	6/43	-2/29 c	3/37	-2/29 c
Chicago	-1/31	-7/20 sf	-1/31	-7/20 c
Dallas	10/50	-1/31 s	11/52	3/37 s
Denver	1/34	-6/18 s	7/44	-2/29 pc
Detroit	0/32	-4/25 sn	1/34	-2/29 sf
Honolulu	24/75	19/64 pc	29/82	20/68 pc
Houston	14/57	4/39 pc	14/57	6/43 s
Los Angeles	18/66	11/52 sh	21/70	10/50 r
Miami	24/75	13/55 s	21/70	10/50 s
Minneapolis	-2/27	-10/14 pc	-3/27	-9/16 pc
Montreal	1/34	-3/27 sf	-1/31	-7/20 sf
Nassau	28/79	19/66 sh	24/75	19/61 s
New York	7/44	0/32 c	4/39	-1/31 pc
Orlando	19/66	6/43 s	14/57	3/37 c
Phoenix	21/70	8/46 s	23/71	11/52 pc
San Fran.	18/61	10/50 r	15/59	8/46 r
Seattle	11/52	4/39 pc	10/50	4/39 c
Toronto	0/32	-5/27 sn	1/34	-5/22 sf
Vancouver	11/52	3/37 pc	11/52	5/41 c
Washington	8/46	1/34 c	6/43	-2/29 pc

Latin America

Buenos Aires	25/77	13/53 pc	26/79	16/61 s
Caracas	29/82	18/66 pc	29/82	20/68 pc
Lima	26/79	19/66 pc	24/75	19/66 sh
Mexico City	21/70	9/48 c	19/66	8/46 c
Rio de Janeiro	26/82	20/68 r	23/73	19/64 pc
Santiago	29/84	8/46 s	28/82	8/46 s

Oceania

Auckland	18/64	11/52 c	19/61	13/55 sh
Sydney	28/82	23/73 c	29/84	24/75 pc

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THE AMERICAS

Within the U.S., Dramatic Differences in Longevity

America Has Some of the Longest-Lived and Shortest-Lived Populations in the World, Study Finds

By David Brown and Avram Goldstein
Washington Post Service

WASHINGTON — The United States has some of the longest-lived populations seen anywhere in the world, as well as pockets of people whose expected life spans are shorter than those in some African countries, according to a study.

At the long-lived end of the spectrum, Asian women in northern New Jersey have a life expectancy of 97.7 years. At the other end, Oglala Sioux men of the Pine Ridge Reservation in South Dakota live an average of 56.5 years. The Indian life expectancy is similar to ones seen in many countries of sub-Saharan Africa and is lower than the average of any nation in the Western Hemisphere except Haiti, the study found.

These statistics are part of a study by epidemiologists at the Harvard School of Public Health in Boston and the federal Centers for Disease Control and Prevention in Atlanta. The project, begun in 1996, seeks to make sense of the huge body of health statistics available for every county in the United States.

The study's preliminary findings were presented at the 12th Chronic Disease Conference, being held in Washington through Friday. The project is an outgrowth of the Global Burden of Disease study, published in 1995. In it, a team of epidemiologists analyzed the contribution that 107 different diseases and injuries make to the death, disability and chronic ill health in each of the world's countries.

The U.S. study eventually will provide similar insight into the health of Americans at a level of detail reaching down to nearly every county.

While the finding that different ethnic, racial and regional populations in the nation have different life spans is not new — many studies have shown it — the size of the differences is larger than previously believed.

For example, the globe's shortest-lived national population is men in the West African country of Sierra Leone, who live an average of 45 years. The population with the greatest longevity is Japanese women, whose life expectancy is 83 years. The difference between those two groups is 38 years, slightly less than the gulf that separates male Oglala Sioux Indians in South Dakota and Asian women in Bergen County, New Jersey.

"The biggest surprise was the magnitude of the range of differences in life expectancy," said Christopher Murray, a physician and health economist at the Harvard School of Public Health, who leads the project. "I am concerned by this incredible spread."

The findings show that men in five South Dakota counties — which include the Pine Ridge Reservation — have the shortest life spans, 61 years on average, in the United States.

In contrast, men in South Africa and India have a life expectancy of 60 years. Men in Bolivia live about 59 years. Russian men, whose declining life expectancies have shocked many epidemiologists, live about 65 years.

The highest life expectancy for men of all races in the United States was seen in two counties in Utah, where it is 77.5 years. The report did not address reasons for the regional and ethnic differences, although further analysis to be done over the next year may shed light on that.

Mr. Murray and his colleagues found that the differences in longevity have grown in recent decades. While the average life expectancy of every major ethnic, sex and regional group in the United States has increased since 1980, the life spans of the 2 percent of men and women with shortest longevity have barely budged. This suggests there are pockets where recent huge gains in health — fueled by rising income, healthier lifestyles and better medical care — have barely been felt.

Mr. Murray noted that the trend paralleled the widening income gap between the poorest and the richest Americans.

"As an economist, I am tempted to say that is part of the reason," he said. "But I don't know it's the reason."

Washington Men Stand Out With a Low Life Expectancy

Washington Post Service

WASHINGTON — Men in Washington have nearly the shortest lifespan of any population group in the United States, while their counterparts across the Potomac River in Fairfax County, Virginia, have nearly the longest, an analysis of longevity has found.

An average man's life span in the two places differs by 14.5 years, making male longevity in these abutting jurisdictions poles apart.

For black men in Washington, the life expectancy of 57.9 years in 1990 is second shortest in the country, preceded by that of the Oglala Sioux men of the Pine Ridge Reservation in South Dakota, who live an average of 56.5 years. For men of all races, Washington has the second-shortest life expectancy when the country is divided into more than 2,000 distinct cities and counties. Men here live on average 62.2 years.

The longest life expectancy for men of all races was seen in two counties in Utah, where life span averages 77.5 years. Fairfax County in Virginia ranks fourth at 76.7 years.

"It's not surprising to me, unfortunately," said Allan Noonan, director of the Department of Health in Washington, who has been in office since September. "If you look at most geographic areas, the life expectancy for black men is usually about 10 years lower than overall, and usually the lowest of any population group. It's sad but, I'm sure, true."

About 67 percent of Washington's population is black. Mr. Noonan said he believed the lives of African-Americans there were complicated by limited access to medical care and delayed diagnosis of disease, and a high homicide rate.

"You take those factors, and tie them in with poverty and other social issues, and this is the result," he said.

Mexico Crime Fight

Zedillo Vows to Battle Police Graft

The Associated Press

MEXICO CITY — Saying he shares the nation's indignation over a rising crime wave, President Ernesto Zedillo has pledged to crack down on organized criminals and police corruption while increasing the amount spent fighting crime by more than 25 percent next year.

In a nationwide address from his residence, Mr. Zedillo promised to send draft legislation to Congress that would reform the constitution and Mexico's antiquated crime laws to stiffen penalties against criminals.

He also urged Mexicans disillusioned by police corruption to begin reporting crimes again.

"Every crime that is not reported remains unpunished, and encourages new crime," he said.

The president's speech followed a demonstration Saturday in Mexico City against rising crime in the nation's capital.

The police said there were about 13,000 protesters while newspapers estimated about 60,000. They carried signs saying "Enough is enough," and "Enough crime, Mr. President, we want something done."

In his address, Mr. Zedillo said that "as a citizen, as a family man, and as president, I fully share the indignation and worry all Mexicans have about public insecurity."

An average of 628 crimes involving weapons and resulting in six deaths are committed each day in Mexico City, a city of 8.5 million.

Antiquated crime laws — some dating from the early 1930s — allow crime suspects to escape prosecution on technicalities. Many are repeat offenders.

Mr. Zedillo said the government was establishing a federal data bank to keep track of corrupt police officers, preventing those fired in one state for corruption from being hired in another.

He also said he was forming a public security team in his cabinet that will meet at least twice a month to draw up anti-crime programs and make sure they were put into effect.

The team will include the attorney general and the secretaries of defense, navy, interior, the Treasury, communications and transportation, Mr. Zedillo said.

The president also promised to increase crime-fighting appropriations in next year's budget by $334 million, or 27 percent.

Changes in legislation include stiff penalties for illegal possession of firearms, Mr. Zedillo said. Gangs openly carry AK-47s and other powerful assault weapons.

Mr. Zedillo said a number of measures his administration had taken thus far, including a reform of the judiciary, "have clearly been insufficient."

■ Sponse-Rape Measure

Female legislators and activists are exuberant about Congress's approval of a hotly debated bill that would make rape by a spouse a crime, The Associated Press reported from Mexico City.

The Law against Domestic Violence outlines prison sentences of 8 to 14 years for those convicted.

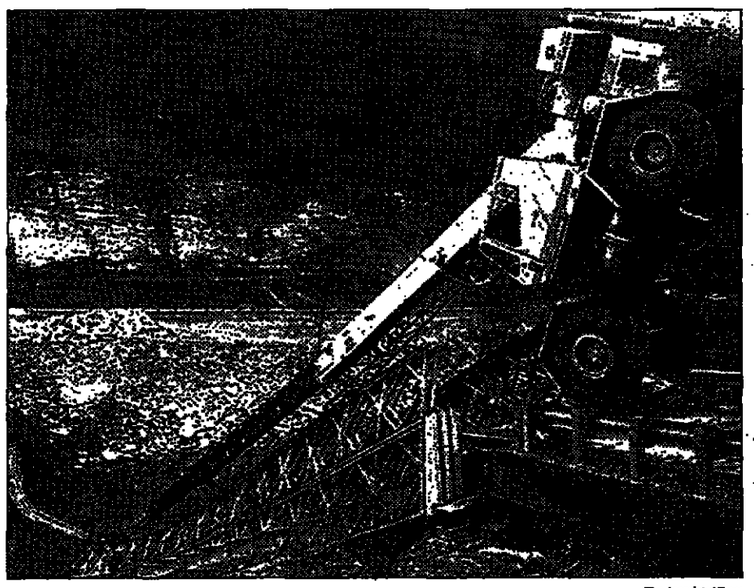
"This bill is a victory that women have been looking for for many years," said an independent congresswoman, Carolina O'Farril.

The measure, which passed the lower house, 254 to 90, on Tuesday, split the three major parties. Some members of the right-center National Action Party objected to treating husbands the same as strangers in rapes.

"Should a husband be given the same sentence as a rapist?" asked a National Action congressman, Emilio Gonzalez.

If approved by the Senate, the bill would go to Mexico's president to be signed into law.

Expert reports prepared for the debate indicate that domestic violence — including beatings, rape and psychological abuse — is on the rise but is seldom reported and even more rarely punished.



The Associated Press

BRIDGE COLLAPSE— A 43-year-old worker died and two others were injured after a bridge in Iager, West Virginia, collapsed during a construction project.

POLITICAL NOTES

Reno Happy With Freeh

WASHINGTON — Attorney General Janet Reno says that despite his public disagreement with her decision not to appoint an independent counsel, Louis Freeh, the FBI director, is "a pleasure to work with," and she said he was not letting himself be used by Republicans to attack President Bill Clinton.

At her weekly news conference Thursday, Ms. Reno emphasized that her campaign finance task force is still pursuing a wide range of suspect transactions and practices despite her rejection of an outside prosecutor to examine telephone solicitation by Mr. Clinton and Vice President Al Gore.

Asked about Mr. Freeh's advocacy of a conspiracy investigation, Ms. Reno did not foreclose that idea. But, she said, "It is inappropriate" to deal in "abstract theories." She added, "A conspiracy has to be a conspiracy to violate specific laws."

Representative Dan Burton, Republican of Indiana, has requested that Ms. Reno and Mr. Freeh explain their differences at a hearing Tuesday before the House Government Oversight Committee, which he heads, that is investigating campaign financing. Ms. Reno said she was trying to fit an appearance in despite her scheduled meeting with foreign justice ministers that day.

While the White House press secretary, Michael McCurry, conspicuously refused this week to repeat Mr. Clinton's previous expressions of support for Mr. Freeh, Ms. Reno lavishly praised him Thursday.

"He is a professional. He is dedicated. He is honest. He wants to do the best job possible. And I just feel very comfortable in my working relationship with him." *(AP)*

Bush on Campaign Trail

MIDLAND, Texas — Governor George Bush of Texas has opened his re-election campaign with a proud assessment of his first term and a renewed emphasis on "the most important thing we do": the education of children.

With his wife, Laura, at his side, Mr. Bush returned Wednesday to his hometown to kick off a six-day, 24-city tour of the state. Although his immediate goal is to become the first Texas governor to win back-to-back four-year terms, he continues to be mentioned as a leading candidate for the Republican presidential nomination in 2000, adding a national spotlight to his statewide campaign.

Mr. Bush, however, declined to say whether he would seek the nomination. "I don't know if I will seek the presidency," he told reporters. "I'm deeply concerned about what a national campaign would mean for my family." *(WP)*

Quote/Unquote

The White House social secretary Capricia Marshall on calls from people worried they will not make the cut for this year's guest list for President Clinton's Christmas parties: "We've had to cut back; it's expensive. There are constraints, and we have to live with them." *(AP)*

Can Sex Bias Be Man to Man?

By Linda Greenhouse
New York Times Service

WASHINGTON — When Congress outlawed sex discrimination in employment, as part of the Civil Rights Act of 1964, it did not refer to men or to women but rather to protecting "any individual" against discrimination "because of" the person's sex.

It took more than 30 years, but an obvious question about that law, in the context of sexual harassment, reached the Supreme Court on Wednesday. If harasser and victim are of the same sex, does the law apply?

The justices seemed to find the answer obvious as well, as they listened to an argument over whether a male oil-rig worker could invoke the law to pursue a claim of sexual harassment against his former employer and male co-workers who singled him out for crude sex play and threats of rape on a drilling platform in the Gulf of Mexico.

A federal appeals court had dismissed the suit on the ground that, no matter what the facts, the law could never apply to harassment between people of the same sex.

Toward the end of the hourlong argument, Chief Justice William Rehnquist was unusually blunt in expressing his view of the case. "I don't see how we can possibly sustain the holding" of the appeals court, he said.

The chief justice spoke with even more than usual authority as the author of a 1986 opinion in which the court unanimously held that sexual harassment — in that case of a female bank employee by her male supervisor — was a form of sex discrimination prohibited by Title VII of the Civil Rights Act.

"Without question, when a supervisor sexually harasses a subordinate because of the subordinate's sex, that supervisor 'discriminates' on the basis of sex," Mr. Rehnquist wrote in that case, Meritor Savings Bank vs. Vinson.

Applying that principle to the same-sex harassment context is not necessarily as simple as it looks; that was evident from the argument.

What does the notion of "discrimination" mean in an all-male work environment like the offshore oil rig in this case? What if a harasser who makes a man his victim would be equally obnoxious to a woman, if one happened to be available?

It took more than 30 years for an obvious question to reach the Supreme Court.

Those are questions for the next case, not for this case, Nicholas Canaday 3d, the lawyer for the oil-rig worker, Joseph Oncale, told the court. All the court needs to decide now, Mr. Canaday said, is not "the outer limits or parameters of same-sex harassment, or the methods of proof of such a claim," but only "whether a same-sex sexual-harassment claim exists as a matter of law." That far, at least, the justices appeared ready to go.

"You're not asking us to find discrimination; you're simply asking us to say that the fact that this was male on male doesn't prevent a finding of discrimination," Mr. Rehnquist said, to Mr. Canaday's ready agreement.

Harry Reasoner, the lawyer for the defendants, made little headway as he tried to defend his clients' lower-court victory before the 5th U.S. Circuit Court of Appeals, in New Orleans.

"There is not the slightest evidence that Congress intended to federalize relationships between men and men," he said, noting that the behavior on the oil rig, if proved, would violate several Louisiana laws. To "expand the statute" to apply to same-sex harassment would "implicate serious concerns of federalism," he said.

Mr. Reasoner agreed with Justice Anthony Kennedy's observation that under the 5th Circuit's rationale, a demand by a gay supervisor for sexual favors from male employees would not be considered sexual harassment.

"If we think that's what they held, I guess we have to say that's wrong," Justice Sandra Day O'Connor said, referring to the judges of the 5th Circuit.

Mr. Reasoner said that if same-sex harassment were recognized, it would be too difficult for courts to draw lines between situations that might or might not come within the law.

"I grant it's difficult to work out," Justice Stephen Breyer said, "but how does that make this law different from antitrust?"

The Equal Employment Opportunity Commission has treated same-sex harassment as covered by the Civil Rights Act since it first published guidelines on the subject in the early 1980s, and the Clinton administration entered the case, Oncale vs. Sundowner Offshore Services, No. 96-568, on Mr. Oncale's behalf.

A deputy solicitor general, Edwin Kneedler, shared the argument time on Wednesday with Mr. Oncale's lawyer.

"The purpose of Title VII is to render irrelevant a person's sex in the workplace," Mr. Kneedler said.

Away From Politics

• **At least a hundred criminal defense lawyers across** Maryland are soliciting new clients by sending mass mailings to people wanted by the police, sometimes tipping off suspects before officers have had a chance to arrest them. The practice has outraged prosecutors and police officials across the state. *(WP)*

• **Americans are not as** restless as they used to be, and when they do move, more are heading to the countryside than to cities. The proportion of Americans relocating dropped to 16.3 percent in the year that ended in March 1996, the Census Bureau reported. *(AP)*

• **The septuplets born to Bobbi and Kenny McCaughey** marked their two-week birthday in fair condition at a hospital in Des Moines, Iowa. *(AP)*

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A 'Greener' Europe Pushes to Meet Goals

Vehicle Emissions Seen as Major Obstacle

By Edmund L. Andrews
New York Times Service

LUDWIGSHAFEN, Germany — High-pressure steam heat has always been the life force of BASF AG's giant chemical complex in Ludwigshafen, where one street is named Ammonia and another is named after a catastrophic explosion that killed scores of workers in the 1920s.

The old power plant still burns coal by the bargeload, pumping the steam as part of the process of making plastics and fibers, and spewing about 4 million tons of so-called greenhouse gases into the atmosphere every year. Until recently, this complex burned so much coal that the company owned its own mines.

Yet as American and European negotiators battle in Kyoto, Japan, over a proposed treaty to reduce the output of greenhouse gases implicated in global warming, this complex marks a fairly typical example of how the two sides often seem to be on different planets.

While American industry has warned that mandatory reductions would lead to factory shutdowns and hundreds of thousands of lost jobs, BASF executives say they are not worried.

Regardless of what is decided in Kyoto, BASF executives predict, this complex will emit 25 percent less carbon dioxide in 2000 than it did in 1990, well ahead of the ambitious goals advocated by the European Union.

"The goals are absolutely achievable," said Max Dietrich Kley, BASF's managing director in charge of financial affairs.

Europe already releases less than half the volume per person of greenhouse gases as the United States. And it is urging a 15 percent cut in the industrialized world's discharges from 1990 levels, compared with the Clinton administration's call for "stabilizing" emissions at those rates.

Compared to U.S. business groups, European industry has been more receptive to the costly cleanup. Manufacturing groups are pursuing their own ambitious clean-air commitments. The debate here is not about whether to make steep reductions in carbon dioxide output, but how steep those reductions should be.

By any measure, Europe will have a hard time meeting its own ambitious goals. Pollution from cars and trucks is soaring, as traffic volume increases far more rapidly than automobile efficiency. Manufacturing executives warn that even big improvements in efficiency will be diluted by growth in overall production.

And European industry has been fighting various proposals for stiff new "carbon" taxes that are tied to the use of fossil fuels.

"We are very skeptical about the European goals," said Joachim Hein, head of environmental policy at the German Federation of Industry, an umbrella association that covers manufacturers of everything from cars to steel to chemicals, which has pledged steep voluntary reductions. "It's easy to put more burdens on industry, but the problem is much more multifaceted than that. What we are saying is that industry will do its best."

Critics note that Europe has benefited from a few one-time historical events. The reunification of Germany in 1990 led to a huge reduction in emissions, because the former East Germany's bankrupt and filthy factories and power plants were quickly demolished. Between 1990 and 1995, carbon dioxide output in Eastern Germany plunged by nearly half, to 172 million tons from 305 million.

Britain got a similar lift when the government abandoned protections for domestic coal producers, which sparked a rapid shift to cleaner natural gas.

Part of what makes Europe look "greener," moreover, is nuclear power, an environmental villain in North America. Nuclear power supplies 75 percent of the electricity in France, 50 percent in Sweden and 30 percent in Germany, compared with 20 percent in the United States.

As Europe's moribund economy shows new signs of life, some energy-conservation projections are already falling by the wayside. The Netherlands Federation of Industry, for example, committed itself to improving its energy efficiency by 2 percent a year. But Dutch emissions of carbon dioxide actually increased slightly last year, largely because of increased economic growth.

"What we have done so far is follow a 'no-regrets' policy," said Wiel Klerken, director of environmental issues at the Dutch trade association. "In other words, these are measures that are good anyway, even if there was not a CO_2 problem, because you save money.

"But when you come to 15 percent reductions, you come into the area of 'regrets policy,' and so we think the current goals are too ambitious."

Nor have European countries entirely figured out how to distribute the burden of making changes. Under the European Union's so-called bubble concept, Germany agreed to assume a huge share of the total European burden — a 25 percent reduction in emissions by 2010. The bargain would allow poorer countries like Portugal and Ireland to increase their emissions as much as 30 percent.

The problem is that even if each country met its obligations, which is far from assured, emissions of greenhouse gases across Europe would fall by only 10 percent, and national leaders would still need to search for more cuts.

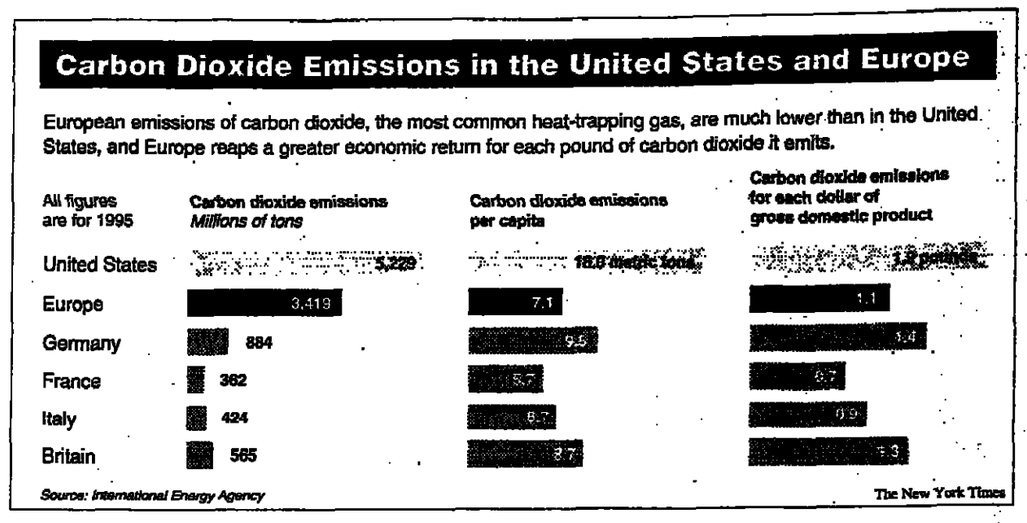
By any measure, the efforts within Europe far outpace anything even contemplated in the United States. The German Federation of Industry, for example, recently released audited results showing a 20 percent reduction in carbon dioxide emissions since 1990 in Germany.

But those gains are in danger of being undermined by some of the same trends as in the United States: faster growth in manufacturing and an intensified love affair with cars. Officials at the federation emphasize that the demolition of factories and power plants in the former East Germany is complete. But while existing factories will inevitably become more efficient, those advances will also be diluted by continued growth in production.

Pollution from cars and trucks is even more threatening. While cars are generally much smaller than those in the United States, they are getting bigger, heavier and more numerous. The number of privately owned cars in Eastern Germany is expected to double between 1990 and 2005, and the number of commercial vehicles has been forecast to increase sixfold during the same period.

Car and truck traffic is already the second-biggest source of carbon dioxide after power plants in the European Union, and officials predict traffic-related emissions will soar 39 percent by 2010 if current policies remain in place.

Yet thus far, European Union proposals for so-called carbon taxes on gasoline have gone nowhere, and many experts worry that introducing them would jeopardize national competitiveness if other industrialized countries refused to follow suit.



At Climate Talks, Half the Battle Is Understanding The 'Gibberish'

By Kevin Sullivan
Washington Post Service

KYOTO, Japan — If you think sinks are where you put dirty dishes, and bubbles are what you use to clean them, you should stay away from the global climate summit meeting here.

Representatives of more than 150 countries who are gathered to address global warming are conducting their debate in a language of acronyms, scientific terms and conference-goer shorthand that even veteran environmentalists have a hard time following.

The hallways of Kyoto are filled with chatter about sinks and bubbles and juicecans and at least two baskets of gases, none of which mean what they sound like. There is a Group of Seven countries, a Group of 21 and a Group of 77 that is actually a group of more than 130. There is endless debate about CO_2, CH_4, N_2O, SF_6 and perfluorocarbons, and a scientist from something called an aeronomy laboratory using cartoons to explain what it all means.

Even the acronym for the conference's name looks like an overturned scrabble box. Signs greet visitors at the train station and every local hotel: "Welcome to UNFCCC-COP3," which stands for the United Nations Framework Convention on Climate Change, Conference of the Parties, Third Session."

"It's a major, major problem," said Constance Holmes, soon-to-be chairman of the Global Climate Coalition (known to all here as the GCC), a group representing major American industries. "It's UN-speak. It's worse than Washington-speak. We have to constantly remind ourselves that our vernacular is indecipherable gibberish."

The odd lingo of COP3, as most people refer to the conference, is more than just eccentric and esoteric. It is a serious obstacle to public understanding of an extremely complex issue that all sides agree could permanently alter global climate and economies. Officials here say that whatever agreement may be reached in Kyoto will have to be sold to the public around the world — but so far it's all in a language that might as well be Martian.

"The terminology is a world unto its own," said John Grasser, vice president of the National Mining Association. "It's difficult outside this fishbowl to get the average person on the street to understand why this matters to their life. It's like pulling teeth."

Even for a sophisticated audience familiar with the basic science of how the emission of carbon dioxide and other so-called greenhouse gases contributes to global warming, the language of COP3 is an ever-expanding maze of obscure terms.

In most places, a forest is a forest. In Kyoto, it's a "sink." That term is used to describe any source that absorbs carbon dioxide. In the process of photosynthesis, trees absorb that greenhouse gas, so a forest constitutes a sink. Delegates here are debating whether the effects of gas-eating forests should be factored in when considering a nation's production of greenhouses gases.

"Bubble" has been a big term here this week because it is shorthand for the European Union's proposal to include all its 15-member nations under one umbrella, or bubble, when computing gas emissions. The Europeans have proposed a collective 15 percent reduction in emissions — but within the bubble, individual countries range from a 25 percent reduction to a 30 percent increase.

The "basket of gases" talked about here refers to the greenhouse gases being targeted by the conference. So far, three are being considered: carbon dioxide, methane and nitrous oxide. Their combined effect on the atmosphere is considered as one "basket." The American delegates and others want to include three more, which are found in smaller quantities but are far more potent than the original three. Leaving them out of the basket is ignoring at least half the problem, the Americans argue.

"I heard 'basket of gases' a thousand times before I knew what it meant," said Lee Poston, communications manager for the World Wildlife Fund (That's the WWF to most people here, but some other environmental groups know them playfully as "The Woof-Woofers.")

Groupings and coalitions and alliances are critical when so many nations are trying to negotiate such a complex issue. The familiar groups are here, such as OPEC (the Organization of Petroleum Exporting Countries) and the OECD (the Organization for Economic Cooperation and Development). But the global warming process has also sprouted something called JUSSCANNZ, pronounced "juicecans," which is a grouping of Japan, the United States, Switzerland, Canada, Norway and New Zealand.

One American official this week said that group began five years ago at the Rio Earth Summit, when officials from those nations realized they were probably the only nations attending who weren't already in some other grouping.

The G7 (the Group of Seven Industrialized nations) is here, and so is the Group of 21, an organization that conducted a children's postcard drive to support emissions-cuts. Another group formed specifically for the climate debate, is the G77, an organization of developing nations that have banded together to oppose proposals that they be required to cut gas emissions as much as industrialized nations.

The G77 eventually became the "G77 plus China," and now, despite its name, includes almost all the 130-plus developing nations represented here.

U.S. and Britain Rattle Their Sabers at Saddam

Compiled by Our Staff From Dispatches

LONDON — Britain and the United States warned Baghdad on Thursday that they remained prepared to use military force if Iraq did not bow to UN demands for unrestricted arms inspections.

The British defense secretary, George Robertson, and the U.S. defense secretary, William Cohen, said after talks that they hoped diplomatic pressure on Iraq would succeed.

But they said that London and Washington remained firm in their determination to halt Iraqi attempts to produce chemical and biological weapons.

"The clear message for the people of this country, and indeed for the whole world, is that this crisis is not over," Mr. Robertson said of Iraq's refusal to allow inspections of certain presidential palaces and other installations in Iraq.

He said that the British aircraft carrier Invincible, now on a port call in Barcelona, would be moved into the Gulf to join a large U.S. force there if necessary.

Mr. Cohen said that "we are hoping it would not become necessary" but that "we would not rule out any military action."

The two defense secretaries said that Richard Butler, head of the UN Special Commission on Iraq, should demand on his visit there next week that President Saddam Hussein give unqualified access to UN arms inspectors.

Mr. Cohen said earlier, in an interview with the BBC, that Iraq still illegally held large stocks of the fatal nerve agent VX and the biological killer anthrax — some of which has been "weaponized, put in the warheads of Scud missiles."

"These are people who have engaged in a massive killing of their own citizens — Kurds in the north, Iranians with chemical weapons," Mr. Cohen said. "For them to say you must have a different form of inspection is really the equivalent of the inmate telling the warden what the terms of his incarceration are going to be."

The inspectors are trying to determine if Iraq has complied with UN orders to destroy long-range missiles and weapons of mass destruction, as it agreed to do at the end of the 1991 Gulf War. Iraq contends that it has complied fully.

In New York, the UN secretary-general, Kofi Annan, urged the Security Council to renew the oil-for-food program, under which Iraq can sell limited amounts of oil to buy food and medicine. He also urged the council to ease restrictions to encourage faster delivery of food and medicine to the Iraqi people.

The current phase of the oil-for-food deal expires at 0501 GMT Friday, and the Security Council hopes to vote on the renewal later Thursday. The 15 members held protracted negotiations on Wednesday that highlighted the divisions between the hard-liners — Britain and the United States — and France and Russia, both sympathetic to the Iraqi position.

Even if the plan is renewed, Iraq's UN representative, Nizar Hamdoon, said that "unless we see a distribution plan" approved "we are not going to pump any oil." Diplomats said approval of the plan could take weeks. *(Reuters, AP, AFP)*

David Silverman/Reuters

A man taking a nap in Ben-Gurion Airport near Tel Aviv on Thursday as he waited for flights to resume.

Netanyahu Fails to End General Strike

Compiled by Our Staff From Dispatches

BEN GURION AIRPORT, Israel — Prime Minister Benjamin Netanyahu failed in crisis talks Thursday with his finance minister and the country's top union leader to end a strike that has been crippling the nation for two days.

Mr. Netanyahu summoned Finance Minister Yaacov Neeman and Amir Peretz, head of the Histadrut labor federation, to Ben-Gurion International Airport outside Tel Aviv for emergency talks before he left on a visit to France and Germany.

"I though it would be useful to make an effort before my political meetings in Europe to bring Peretz and the finance minister together in an effort to halt this strike, which is continuing despite a court back-to-work order," Mr. Netanyahu said after the meeting.

"This is undemocratic and I hope I have been understood," he added before boarding his plane for Bonn.

Mr. Peretz said later on radio that the strike would continue until the government agreed to carry out a pension reform plan approved by the previous government but canceled by Mr. Neeman.

About 700,000 public sector workers, a third of Israel's employees, have been on strike since Wednesday in one of the biggest labor protests in Israel's 50-year history.

A Tel Aviv labor court ordered the strikers back to work late Wednesday, but Mr. Peretz defied the injunction.

The strike paralyzed the airport, seaport and rail system, while government offices were closed and essential public services operated on a minimal basis.

Hundreds of stranded passengers waited in the terminal at Ben-Gurion Airport. The national airline El Al put up thousands of travelers in hotels and said it was losing millions of shekels.

"The condition of the Israeli economy is raising concern today," President Ezer Weizman said. "The strikes hurt the daily lives of the citizens badly and damage public order. We would hope that all is being done to solve the problems."

The airport allowed four planes carrying agricultural exports to take off.

The strike also shut down the stock exchange, banks, oil refineries and state industries, including defense firms, while water shortages were reported in the south because of work disruptions at the state water company.

The strike continued after Mr. Peretz, who is also a member of Parliament for the opposition Labor Party, rejected the court injunction ordering him to send his members back to work.

Army radio said Mr. Netanyahu was considering using state of emergency regulations, dating from the 1948 Mideast war, to force strikers in key sectors back to work.

The union and the government have been battling for months over pension reforms, austerity measures and privatization plans. *(AFP, AP)*

3 Gunmen at Luxor Said to Be Students

The Associated Press

CAIRO — Two of the six militants who killed 58 tourists at the Hatshepsut temple near Luxor last month were medical students and a third was enrolled in an agricultural college, security sources said Thursday.

The identities of the three gunmen came to light during the investigation that followed the massacre Nov. 17, the sources said. All six gunmen were killed in a shoot-out with the police at the site. A fourth attacker was a known militant who was identified the next day, but the identities of the other two gunmen remain unknown. The six attackers belonged to the outlawed Islamic Group, or Jamaa Islamiyya, which took responsibility for the killings.

In a statement Wednesday, the Islamic Group said that although the gunmen were its members, the group's leaders had not ordered them to carry out the killings.

Among the militants identified, Hamed Ahmed Arian and Mahmoud Mohammed Ahmed Abdel-Karim were medical students at Assiut University in southern Egypt, and Saeed Salama Dessouki Ibrahim was a student at an agricultural college, a security source said.

As More Sign Land-Mine Treaty, Nations Turn to Making It Work

Agence France-Presse

OTTAWA — More than 100 countries have now signed the international treaty to ban anti-personnel land mines and they turned Thursday to the work of carrying it out.

About 125 signatures were expected by Thursday evening and more are expected to sign later, according to Joelle Bourgois, the French delegate to the United Nations Disarmament Conference in Geneva.

She predicted at least 140 countries would sign the treaty.

But even before the signings on the treaty were completed, officials were planning strategy to carry out its provisions by deactivating anti-personnel mines and helping civilian victims of land-mine blasts.

Even the three major holdouts, China, Russia and the United States, made gestures toward the treaty.

Russia on Tuesday extended by five years its ban on exports of anti-personnel mines that do not automatically self-destruct and are impossible to detect.

The Chinese delegation here Thursday issued a statement pledging its support for "the humanitarian efforts by the international community to overcome the problem of land-mine casualties to civilians." But Beijing did not make any specific offer.

During a roundtable discussion Thursday, Karl Inderfurth, President Bill Clinton's special representative and secretary of state for global humanitarian demining, pledged $80 million this fiscal year for mine clearance.

This brings to at least $250 million the amount pledged by different countries for the next five years: Canada has offered 100 million dollars ($70 million), Japan says it will provide $80 million, and Norway has offered $20 million.

BRIEFLY

Israel Checks False Intelligence

JERUSALEM — The government is investigating false intelligence information that nearly brought Israel and Syria to the brink of war last year, news reports said Thursday.

The intelligence reports Israel received in the summer of 1996, from a source considered dependable, suggested that Syria was planning a lightning strike aimed at recapturing part of the Golan Heights, the Ha'aretz newspaper said.

The former head of Israeli intelligence, Uri Saguy, called the episode "very embarrassing and very bad," but said the damage would not be irreversible. *(AP)*

UN to Drop Food in Somalia

NAIROBI — The UN World Food Program will begin dropping food from planes for thousands of people trapped by rising floodwaters in southern Somalia, the agency said Thursday.

A spokeswoman, Lyndsey Davies, said the drops would start Monday, following public service announcements on the BBC's Somali-language service warning residents not to crowd around the drop zones. She said the agency would use a Hercules C-130 transport plane to drop 1,000 tons of food, expected to feed 110,000 people, over a one-month period in the heavily flooded lower Juba River region. *(AP)*

Labor Protests Multiply in Chile

SANTIAGO — The Chilean police used water cannon to disperse angry pension-fund salespeople pressing for the government to scrap tighter pension-fund regulations.

Labor protests have multiplied ahead of legislative elections set for Thursday. Former coal miners also protested in Santiago on Wednesday against a severance package they had received, while a group of flight attendants turned out to denounce working conditions. *(Reuters)*

For the Record

Libya has dismissed U.S. press reports that it was developing a subterranean network of tunnels in the Libyan desert to use for moving troops and equipment. The New York Times reported Tuesday that Libya was building the network, quoting engineers who said it was designed for a "clandestine military purpose." *(AFP)*

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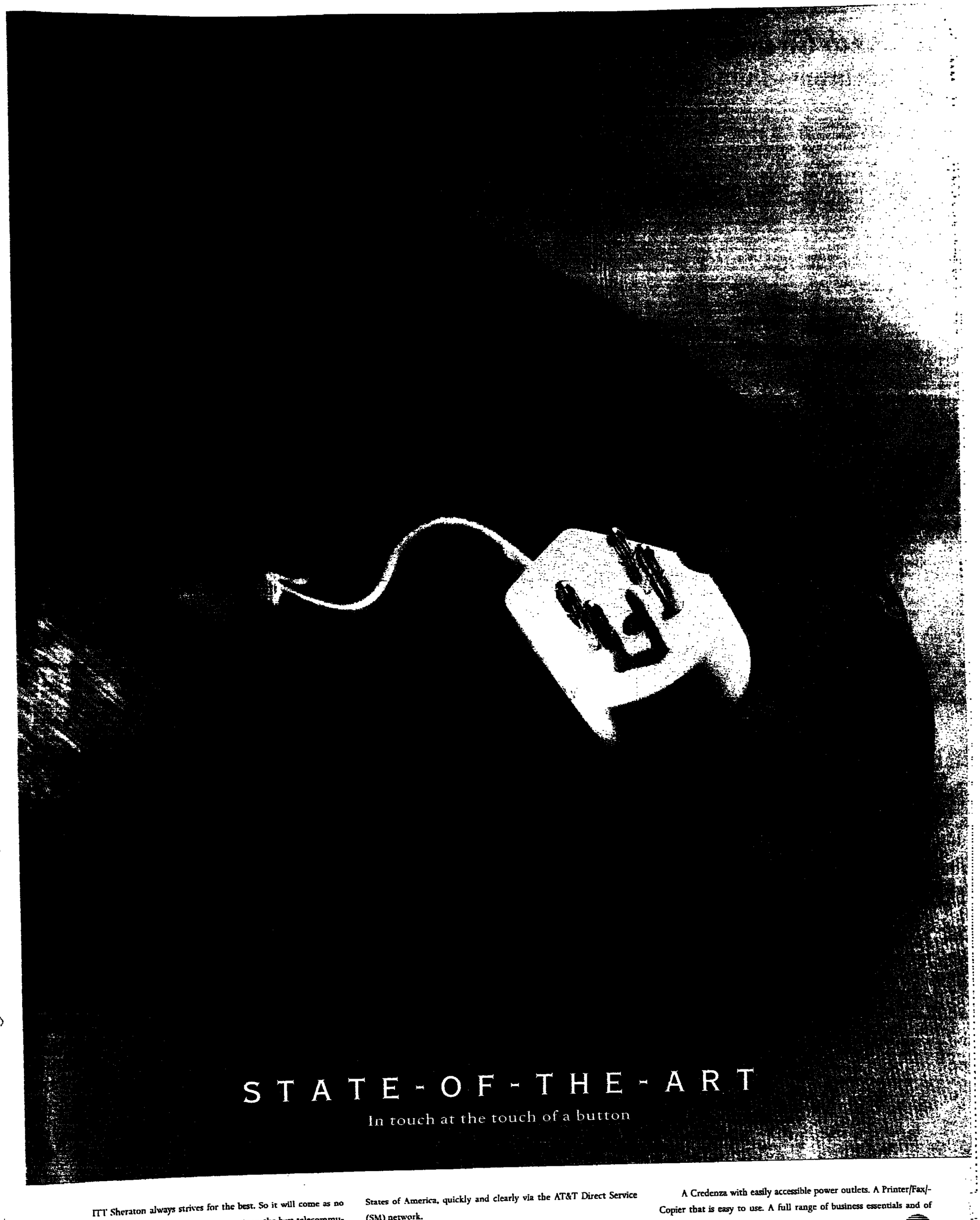
At Climate Talks, Half the Battle Is Understanding The Gibberish



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ASIA/PACIFIC

Indians to Go to Polls by Mid-March

By Kenneth J. Cooper
Washington Post Service

NEW DELHI — A reluctant India prepared for its second national election in less than two years after President K.R. Narayanan dissolved Parliament on Thursday and ordered a vote by the middle of March.

The decision ended two weeks of political uncertainty and followed a recommendation made Thursday by the cabinet of the caretaker prime minister, Inder Kumar Gujral, whose coalition government collapsed last week when the Congress (I) Party withdrew its support.

No new alignment that commanded a majority in the 545-member lower house of Parliament emerged from days of interparty negotiations. Mr. Narayanan said "the people of India need a reprieve from political instability" and deserve a government focused on their "well-being and betterment."

The independent election commission will announce dates for the midterm election in the world's largest democracy. It will be a huge undertaking that involves about 600 million eligible voters, regional votes staggered over several weeks and government expenditures approaching $200 million.

Voting must be completed by March 15 so that a new government can be formed and authorize a budget before the fiscal year begins April 1. Analysts predicted that the election would result in another coalition government as India continues a transition to competitive politics from the single party dominance of the Congress Party, which has ruled for 45 of 50 years since it led India to independence from Britain in 1947.

India's already slow movement toward a more open economy will be suspended during the months of election campaigning as bureaucrats postpone decisions on policy issues and investment proposals until a new government is installed.

The aborted winter session of Parliament took no action on pending legislation, including bills to introduce private competition in insurance and regulate the satellite television industry.

The election will test each of the three major blocs in Parliament that have emerged with the decline of the Congress Party.

The Bharatiya Janata Party, the largest in Parliament with about 160 members and the most prepared for an election, will look to continue its rapid growth. But the Hindu nationalist party will have difficulty adding significantly to its total without making inroads in the south and east, where the party has fared poorly.

The 13-party United Front led by Mr. Gujral, which was formed after last year's election to keep the Bharatiya Janata Party out of power, announced that its partners would coordinate campaign strategy in an effort to increase the coalition's total from about 180 seats.

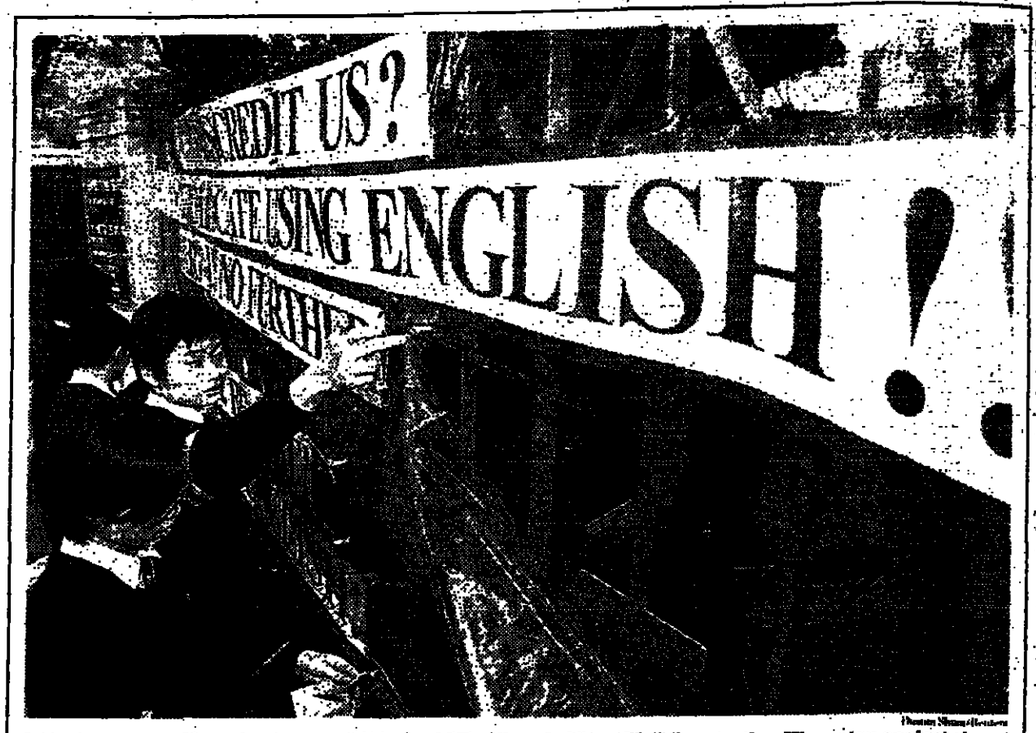
It is uncertain how well the disparate mix of regional, centrist and Communist parties will hold together under the competitive pressures of an election campaign.

The Congress Party is likely to have difficulty maintaining its 140 seats, an all-time low. The party has done almost nothing to refashion its image or project new leaders to overcome public distrust from alleged corruption and widespread disenchantment because successive governments failed to deliver more development.

Despite its troubles, Congress retains the broadest political base, having won nearly 30 percent of the popular vote in last year's election. The Bharatiya Janata Party captured 20 percent of the vote, about the same as five years earlier.

The three major political blocs launched the campaign by blaming each other for forcing a vote three years ahead of schedule.

Congress withdrew support because an official report had accused a United Front partner, the Dravida Progressive Federation, of abetting Sri Lankan terrorists suspected of assassinating a former Congress prime minister, Rajiv Gandhi, in 1991.



MORE ENGLISH! — Students at Pope Paul VI college in Hong Kong protesting Thursday against sharp cuts in the use of English in schools in the former colony, which was returned to China this year.

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Shun Freed Dissident, China Urges U.S. Aides

Reuters

BEIJING — China said Thursday that U.S. government officials should not meet with Wei Jingsheng, the prominent Chinese dissident, during his exile in the United States.

"We are opposed to U.S. government officials meeting Wei Jingsheng and we are opposed to making use of Wei Jingsheng in anti-Chinese activities," said a Foreign Ministry spokesman, Tang Guoqiang.

The South China Morning Post in Hong Kong reported Thursday that President Bill Clinton would meet this month with Mr. Wei, who flew to the United States upon his release Nov. 16 on medical parole after being a political prisoner for 18 of the past 18 and a half years.

The release of Mr. Wei closely followed the Washington summit meeting between Mr. Clinton and President Jiang Zemin, which brought ties between their nations to their highest point in years.

Mr. Tang insisted that Mr. Wei, 47, was a common criminal. "Wei Jingsheng is a criminal who violated Chinese judicial law," Mr. Tang said.

Mr. Wei was greeted last week by Rudolph Giuliani, New York's mayor, who gave him a key to the city.

Mr. Giuliani, who snubbed Mr. Jiang during his state visit to the United States last month, said he wished Mr. Wei would make New York his home.

Mr. Wei, who has accepted an offer to join Columbia University in New York as a visiting scholar, has praised the United States for its free speech and has urged continued pressure on China's Communist government for improved human rights conditions.

Chinese leaders reject foreign criticism of Beijing's human rights record as interference in its internal affairs and argue that feeding and employing a population of 1.2 billion people takes precedence over political rights.

■ Activist Leaves Prison

A Chinese labor activist whose independent journal published articles by Mr. Wei has been released after serving a three and a half year prison term, a human rights group said Thursday, The Associated Press reported from Beijing.

Guo Baosheng, 25, and a fellow activist, Li Wenming, were arrested in 1994 for trying to start an independent labor union and distribute an unofficial journal that included articles by Mr. Wei.

BRIEFLY

March Barred In Cambodia

PHNOM PENH — The Cambodian government refused permission Thursday for an opposition peace march in the capital. The procession through Phnom Penh, scheduled for Sunday, would be led by Sam Rainsy, who returned last week from a self-exile that followed the seizure of power by Hun Sen from his co-prime minister, Prince Norodom Ranariddh.

Mr. Hun Sen is widely believed to have been behind a grenade attack at a protest staged by Sam Rainsy in March. Sixteen people died and more than 100 were injured, including the dissident politician.

The Interior Ministry said that the police will not forcibly stop the march, but that security will not be provided. "If he tries to march, he will have to take responsibility for anything that happens," a ministry official said. *(AP)*

Rebels Cited In Indonesia

JAKARTA — The disfigured bodies of four youths have been found in East Timor and Indonesia's military has blamed rebels for the deaths, the official Antara press agency reported Thursday.

Colonel Slamat Sidabutar, the army chief in East Timor, said the killing of four members of the Roman Catholic youth group Mudika was a "terrorist" action. He said the condition of the corpses indicated that the four had been treated sadistically before being killed. They were tied and their bodies bore the marks of torture, he was quoted as saying. *(Reuters)*

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EUROPE

Social Model Splits Apart Bonn Party

By John Schmid
International Herald Tribune

FRANKFURT — Long-standing ideological rifts within Germany's Social Democrats widened Thursday when a leading candidate for the party's nomination for chancellor proposed a "new social contract" to modernize the economy and cooperate with industry.

In a sharp break with the party's leftist traditionalists, Gerhard Schroeder told a congress of the party that "certainly, economics is not everything, but without economic success, there is much that is impossible."

Mr. Schroeder's pro-business plea clashed with a vision delivered to the congress two days earlier by the Social Democratic Party chairman, Oskar Lafontaine, who is competing with Mr. Schroeder for the party's nomination to run against Chancellor Helmut Kohl in elections next September.

"I want us to emphasize and use the opportunities presented by globalization," Mr. Schroeder told the 520 delegates on the final day of a three-day congress in Hannover.

The rivalries that split Germany's political left mirror a nation that is uncertain how to attack its most urgent economic problems, including record unemployment and an increasingly unaffordable welfare state. Mr. Kohl's center-right government is torn over making significant changes in social benefits.

After Mr. Lafontaine insisted that German employers must elevate worker interests above profits and share prices, Mr. Schroeder made clear that his party should cooperate with industry and not "oppose" it.

While Mr. Schroeder emphasized that government influence on markets is limited, Mr. Lafontaine advocated Keynesian measures to stimulate domestic demand in Germany.

Appealing to economic reformers, Mr. Schroeder peppered his speech with approving references to job-creation measures in such free-market economies as the United States, Britain and the Netherlands.

Mr. Schroeder warned delegates that "if we do not win this time, then there is nobody to blame except ourselves."

Leftist delegates overrode Mr. Schroeder's faction with a motion to create 750,000 state-financed jobs, although party leaders managed to omit any commitments on the program's timing and financing.

Patrick Bertrand/Agence France-Presse

TRIAL RESUMES — Maurice Papon, charged with World War II crimes against humanity, arriving with a bodyguard for a medical check-up near Bordeaux, France, before his trial resumed Thursday.

Beneath the Dust of Antioch, Martyrs and Saints

By Stephen Kinzer
New York Times Service

ANTAKYA, Turkey — Residents of New York and other great metropolises who assume that the glories of their cities will last forever might take a cautionary lesson from this remote provincial outpost.

Antakya is what remains of the grandeur of ancient Antioch, an early center of Christianity and for centuries one of the world's most important cities.

In the days when it was a thriving way station on the Silk Road and a crossroads of civilization, when it played host to visitors like Julius Caesar and Diocletian, and was the capital of Syria and a center of the Byzantine Empire, no one living here could have imagined the obscurity and irrelevance into which it has now fallen.

"I tell people in other countries that I'm from Antakya and they look at me blankly," said Gazi Korusu, a cook in a downtown café who has traveled widely in the Middle East. "When I tell them it's the place that used to be Antioch, they know right away what I mean."

Today, even most Turks consider Antakya remote and undistinguished, but when it was Antioch its glory shone throughout the known world.

Alexander the Great passed through here in 333 B.C. and is said to have chosen the site on which Antioch was built. Before long it had become a bustling city known, according to one historian, for "such a sybaritic, self-indulgent lifestyle that it acquired a scabrous reputation for license and decadence."

Antioch's golden age began when it was annexed to the Roman Empire in 64 B.C. Its population rose to more than half a million and it boasted a large amphitheater and public bath, an elaborate network of aqueducts and sewage pipes, its own granary and weapons factory, a famous school of Greek philosophy and a three-kilometer colonnaded avenue that was the longest and grandest in the world.

Antioch also played a crucial role in the early history of Christianity. Peter and Paul preached here in a cave that is considered one of the first Christian churches.

"And it came to pass, that a whole year they assembled themselves with the church, and taught much people," according to Acts 11:26. "And the disciples were called Christians first in Antioch."

The cave where the saints preached their gospel from about A.D. 47 to 54 still exists.

It is known as "St. Peter's Grotto" and is one of the few tourist attractions hereabouts, attracting the odd pilgrim and what few other outsiders pass this way.

Christianity thrived in Antioch, with setbacks like the decision to hold the local bishop, later known as the martyr St. Ignatius, responsible for an earthquake in the year 115 and feed him to lions.

That move evidently did little good, as Antioch was later shaken by a series of even more devastating quakes, including one in 526 that killed half the population.

The quakes, combined with a series of lost battles over the centuries in which citizens were massacred by Persians, Crusaders and other foes, reduced the city to a miserable village inhabited by just a few hundred people in rude huts.

"The glory of the Syrian capital has long since sunk into the dust," a British traveler wrote in 1813. A Frenchman who passed through around the same time reported that only vines and lizards remained to "mourn for a splendor that is gone forever."

U.K. Presses Washington On Bosnia Commitment

Defense Chief Urges U.S. to Extend Presence

By Steven Lee Myers
New York Times Service

LONDON — Defense Minister George Robertson, meeting with Defense Secretary William Cohen Thursday, chided the Clinton administration for so far refusing to commit U.S. troops to Bosnia after the middle of next year.

With Britain already pledging to keep its troops in Bosnia after next June, Mr. Robertson said a U.S. decision to withdraw now could undermine the tenuous peace that has held in Bosnia ever since NATO peacekeepers arrived in 1995, ending more than three years of war.

"We have made huge progress," Mr. Robertson said at a press conference with Mr. Cohen. "I don't think there's anybody in Europe or in the world who would want that progress diminished or destroyed by precipitate action."

Under pressure from critics in Congress, President Bill Clinton and his aides have repeatedly refused to commit American troops to staying on, even as the Pentagon and the North Atlantic Treaty Organization have begun to lay the groundwork for a new force.

Mr. Robertson's remarks followed meetings this week of NATO defense ministers in Brussels, in which the future of the more than 30,000 peacekeepers in Bosnia, including 8,000 Americans, was a dominant topic.

NATO's military commanders, including General Wesley Clark, the U.S. European commander, warned that the peace in Bosnia remained precarious and could collapse without a significant peacekeeping force.

After the press conference, Mr. Cohen told a reporter that only President Clinton could decide whether to commit American troops. "I don't make the decision," he said.

BRIEFLY

Communists Reject '98 Russian Budget

MOSCOW — The Communist opposition plunged the Russian government's financial plans into fresh crisis Thursday, announcing that it would reject the much-delayed 1998 draft budget at a first reading Friday.

The Communist Party chief, Gennadi Zyuganov, said that his parliamentary faction had "decided unanimously to vote against the budget."

The powerful Communist faction and its allies account for 212 seats in the 450-seat lower house, the State Duma. Added to the liberal opposition, their votes would mean the budget would fail to pass the first reading.

Earlier, the pro-market reform Yabloko faction, with 54 seats, announced that it would oppose the draft budget and call instead for a no-confidence vote against the government in the Duma. *(AFP)*

EU Applicant Talks

BRUSSELS — The European Parliament voted Thursday to begin talks next month with all countries wanting to join the European Union except Slovakia, which was deemed not far enough along on the road to democracy.

The resolution said that negotiations should begin with Poland, Hungary, the Czech Republic, Slovenia, Estonia, Lithuania, Latvia, Bulgaria, Romania and Cyprus.

"Intensive" negotiations should begin, it said, with Poland, Hungary, the Czech Republic, Slovenia, Estonia and Cyprus, the six applicants that the Parliament judged to have shown the most economic and political progress. *(AFP)*

Looted Art Found

MUNICH — The police in Bavaria said Thursday that they had uncovered religious treasures thought to have been stolen from churches in Cyprus.

Around 40 cases containing up to 130 icons and mosaic fragments, 25 fresco fragments and figurines, ornamental cups and utensils were seized during a search, the police said.

The operation was carried out in the town of Obergiesing and the home of a 60-year-old Turkish archaeologist, who was identified only as Aydin D.

He was previously held for questioning on suspicion of having received stolen goods. *(AFP)*

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INTERNATIONAL

MANDELA: *She Says She's Sorry*

Continued from Page 1

"Please. You are a great person. You don't know how your greatness would be enhanced if you said sorry."

Silence spread through the packed hall of the Johannesburg Institute of Social Services. After a long pause, Mrs. Madikizela-Mandela finally responded. She apologized to the families of her club's most heinously killed victims. They include 14-year-old Stompie Moekhetsi Seipei, who was beaten nearly to death at Mrs. Madikizela-Mandela's home late in 1988, then fatally stabbed in the neck.

"I am saying it is true: things went horribly wrong," Mrs. Madikizela-Mandela said, the bitter sting of the daylong hearing absent from her voice. "For that I am deeply sorry."

Her belated apology marked the climax of nine days of testimony before the commission, which is investigating the human rights abuses committed on all sides of the political and racial wars of the era of white-minority rule known as apartheid. That era ended in 1994, with the nation's first all-races election and the elevation of Nelson Mandela to the presidency. The truth body's findings on Mrs. Madikizela-Mandela and her now-defunct football club will be issued next year as part of the body's report on its two-year truth-seeking mission.

The commission has no powers to prosecute, but can offer amnesty to those who seek it and, in exchange, offer full confessions of their deeds. Conversely, it can make recommendations to the courts in cases where a prosecution seems warranted. On this score, Mrs. Madikizela-Mandela could become the focus of renewed calls for prosecution. She has not applied for amnesty.

Ebrahim Asvat, brother of a doctor, Abu-Baker Asvat, whose 1989 murder factored prominently in the hearings, said Thursday he had faith in the panel's ability to ferret out the truth from the many lies told during the hearings.

Two men convicted for the Asvat murder testified this week that Mrs. Madikizela-Mandela paid them to eliminate the doctor. Witnesses said Dr. Asvat examined the brutally beaten Stompie Seipei boy and could have attested to his fate. Of such claims, Mrs. Madikizela-Mandela said, "They are ludicrous, of course."

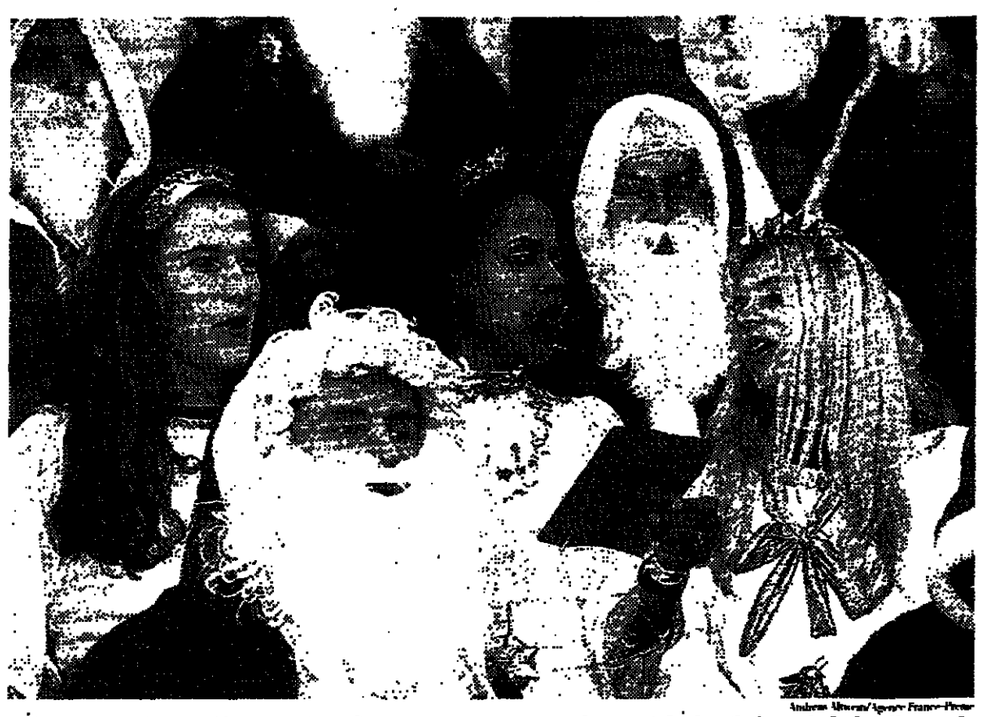
Of Stompie Seipei's death she claimed no knowledge, saying she had read about it in the newspapers.

"We'll wait and see if the truth commission can provide us some of the truth, and if not the attorney general will have to look at the matter," the brother of the dead doctor said.

Indeed, the Madikizela-Mandela controversy is by no means over, though the hearings have finally come to a close. She has mounted a long-shot campaign for the deputy presidency of the ruling African National Congress in voting to take place later this month.

But the ANC Women's League, of which she is president, began waffling this week on its nomination of her for the high position she is seeking, and the party establishment opposes her.

German Students Focus on Kohl in a New Wave of Protests



Andreas Altwein/Agence France-Presse

University students in Germany have found some seasonal employment during their period of strikes and protests. Here a trio of angels and an army of Santas join voices in an outdoor Christmas concert in Berlin.

Reuters

DUSSELDORF — More than 100,000 German students joined in a new wave of protests Thursday against education cuts, directly targeting Helmut Kohl in eastern Germany.

The police said the largest demonstration, in Dusseldorf, drew about 40,000 students. Protests by tens of thousands more were also held in Berlin, Hannover and Mainz, bringing the total to 120,000 across Germany.

In Frankfurt an der Oder, Chancellor Kohl was booed and whistled as he arrived at the Viadrina University to meet the visiting Polish president, Jerzy Buzek.

The new protests follow a march last week through Bonn by 40,000 students from about 40 universities angry at the state of higher education, where overcrowding is rife and standards are perceived to be falling. The protests have attracted wide support from professors and rectors.

RACE: *Clinton Pokes and Prods in Nationally Televised Meeting*

Continued from Page 1

ecdotes and entreaties for better relations — one woman urged everyone to follow the Golden Rule — than extended debate about the public policy issues that remain unsettled in the post-civil rights era.

The most dramatic moment did not come until the end of the forum, when Mr. Clinton engaged in a sharp exchange with Abigail Thernstrom, a prominent critic of affirmative action programs for minorities and women, and co-author of the book "America in Black and White: One Nation, Indivisible."

After Mr. Clinton asked for a show of hands from those who support continuing such programs in college admissions, she interjected that the real question was whether they favored racial preferences.

"Abigail," retorted Mr. Clinton, "do you favor the United States Army abolishing the affirmative action program that produced Colin Powell?" When she hesitated, he pressed the point. "Yes or no?" he demanded. "Yes or no?"

"I do not think that it is racial preferences that made Colin Powell..." Ms. Thernstrom started.

"He thinks he was helped by it," Mr. Clinton interrupted. "The overwhelming majority of Americans want American citizens to be treated as individuals," she finally got in.

The town hall meeting, conducted at the University of Akron and broadcast live on C-SPAN, was the first of several that Mr. Clinton plans to hold over the next six months as part of a yearlong campaign for racial reconciliation.

The White House also organized 96 "watch sites" around the country where groups of people tuned into the Akron forum and then engaged in their own discussions after it was over.

In selecting people to share the stage with Mr. Clinton on Wednesday, the White House pledged to find a cross section of society and came up with a blend of participants from different racial and ethnic backgrounds.

Although Ms. Thernstrom was invited to provide a more conservative voice, the stage was dominated by people who shared Mr. Clinton's view. Just a half dozen raised their hands when he asked how many thought affirmative action in college admissions should be ended — a far cry from the majority sentiment in the country's largest state, California, where voters decided to abolish it.

During the program, many shared sometimes painful memories of how they had been treated because of their race. "I've been to banks where I've given them a check to deposit for my mother," said McHughson Chambers, a biracial University of Akron student. "They've put holds on them unnecessarily."

An African-American woman who did not give her name recalled that a college roommate "broke out in hives when she discovered that I was going to be her roommate and I was black."

Only one of those who spoke, though, confessed to harboring any racial thoughts of his own. Jonathan Morgan, a white university student, said bigotry was more of a problem in "the older generations" — which he defined as "30s, 40s, 50s and up."

"At the same time, I have my own prejudices," he added, "whereas if I'm walking downtown on a street and I see a black man walking toward me that's not dressed as well, I may be a little bit scared."

KOREA: *Politicians Condemn IMF Terms*

Continued from Page 1

itics, to which the candidate Kim Dae Jung belongs.

In fact, Mr. Kim, a longtime dissident who spent six years in jail and many more in prison hospitals or under house arrest, wants a new round of talks with the IMF if he wins the election.

A spokesman for the candidate said he had promised President Kim Young Sam, constitutionally barred from seeking another term, that he would respect the Fund agreement "in principle if elected." But the first thing Kim Dae Jung would do after becoming president, he added, would be to "enter into further talks with the IMF."

At the top of the agenda would be a revision of the permissible growth rate, which the agreement would hold to 3 percent.

Such a low rate for a country accustomed to an average 8 percent a year increase in the gross domestic product since the Korean War would "lead to mass layoffs and many corporate failures," the spokesman said.

Far from setting a low target for growth in gross domestic product, he said, "the growth rate must be adjusted upwards" from the 6 percent increase it was expected to post for 1997.

The statement of support called on President Kim and his cabinet to "kneel down before the people and apologize."

A spokesman for Lee Hoi Chang, candidate of the Grand National Party, which mostly echoes the views of the government, denounced the Fund's demands in the agreement as "nothing but rude acts that encroach upon the autonomy of a sovereign state."

The IMF had insisted on the signatures of Kim Dae Jung and Mr. Lee, running neck-and-neck, and of Rhee In Je, another candidate, as a precondition for agreement with the government.

Their statements made clear, however, that more talks with the IMF were likely every time the country was about to receive another tranche of the promised money. The Fund is expected to deposit the first tranche of about $5.5 billion Friday.

Despite all the criticism of the agreement, the deal appeared to have inspired confidence. The composite stock-market index Thursday shot up 26.50 points, a gain of 6.99 percent, while the dollar finished at 1,170 won, down from 1,196 won on Wednesday.

Kim Eun Sang, branch manager at Morgan Stanley, summarized the conflicting sentiments of many South Koreans about the agreement.

"As a professional, I am very happy," he said. "But as one of the people of this country, I am hating the U.S. as a gangster that did too much to this small country."

The United States, he claimed, was "actually the negotiator, instead of the IMF," and was responsible for the strict terms under which Seoul must open its markets and close banks and financial institutions that are too hopelessly in debt.

South Korea's financial condition, said Kim Eun Sang, was far worse than the government had indicated. He estimated foreign-currency reserves at $24 billion, but said all but $5 billion to $6 billion of that amount was already committed.

Even with the bailout funds steadily arriving here, analysts predicted a series of bankruptcies. One of the first companies to fail, in the view of many analysts, would be Halla Group, whose chairman is the younger brother of Chung Ju Yung, founder and chairman of the Hyundai Group, the country's largest company in terms of assets and second-largest in terms of sales.

"Halla is surviving through the support of their mother company, Hyundai," Kim Eun Sang said.

Analysts questioned whether foreigners would be interested in investing in Korea even though the government was significantly liberalizing the markets. The IMF bailout, by providing Seoul with a line of credit, seeks to reassure foreign investors that the government and South Korean companies will be able to repay their debts. The money can also be used to defend the won.

"The thing that will keep many foreigners away is the fear of the currency," said Hank Morris at Coryo Securities. The won, he said, was so closely tied to the yen that it was likely to go down in value as the yen depreciated.

Mr. Morris warned that Seoul officials were being overly optimistic if they believed that the IMF bailout money would help for more than a limited period — or revive the entire economy.

"They're fooling themselves if they think things will be changing back to the good old days," he said. "They think things will come back. Instead, we'll have more bankruptcies."

In addition to Halla, Ssangyong Group, the sixth-largest chaebol, is frequently mentioned as hovering on the brink of bankruptcy. Ssangyong has lost several billion dollars in attempting to enter the motor-vehicle industry here.

Ssangyong's first car rolled out a month ago, but few say the company was likely to stay in the business for long.

To enter the car business, the car unit borrowed several billion dollars from other companies in the group. The fear now is that the motor-vehicle company will drag down the entire group.

Mr. Morris predicted a dangerous reaction if Ssangyong and others attempted to lay off workers to survive.

"Demonstrators will be carrying banners that say, 'Down with the IMF, down with America, down with Japan,'" Mr. Morris said.

The IMF's Terms

Agence France-Presse

SEOUL — This is a brief outline, provided by the Ministry of Finance and Economy, of the steps pledged by South Korea to the International Monetary Fund in return for its $57 billion bailout:

- **Macroeconomic policies:** The country's gross domestic product should grow by around 3 percent in 1998 and faster in 1999. The consumer price inflation target is below 5 percent in 1998. The budget deficit should be below 1 percent of GDP in 1998 and 1999.
- **Monetary policies:** Aim for tighter monetary policies and allow temporary rises in money-market rates. Maintain current flexible foreign-exchange approach.
- **Fiscal policies:** Tighten fiscal policy. Keep balanced or surplus budget through tax increases or spending cuts. Increase tax revenue by cutting down on items that are tax-free or are exempt from value-added tax or by raising indirect taxes.
- **Financial reforms:** Pass government financial-reform bill this year. Guarantee central bank's independence from government. Set up integrated financial supervisory board overseeing banks, securities and insurers. Allow undercapitalized financial institutions to be taken over. Accelerate write-offs of bad loans with state funds.

Banks should devise an annual reform plan to meet Bank for International Settlements obligations. Financial institutions will be audited by internationally recognized accounting institutes. Allow foreign banks and brokerages to set up subsidiaries by mid-1998. Strengthen supervision of overseas branches of financial institutions and order closures of nonviable ones.

- **Stock-market regulations and other measures:** Expand ceilings on foreign shareholdings to 50 percent by year-end and to 55 percent in 1998. Allow foreigners to invest in the short-term bond market earlier than scheduled.

Oblige companies to make consolidated financial statements. Improve cross-loan guarantee system among *chaebol*. Enforce more transparency in financial data statements. Lift import restrictions on Japanese products earlier than planned. Make labor market more flexible.

■ IMF Aid Package Increased

The aid package arranged by the International Monetary Fund for South Korea rose by $2 billion, to $57 billion, on Thursday after Italy said it would participate and three other countries increased their offerings, the Finance Ministry said, Reuters reported.

Jin Young Woo, director general of the ministry's international-finance division, said Germany, Britain and France would increase their pledges to $1.25 billion each from $1 billion.

He also said that $5.5 billion of the package would arrive in Seoul on Friday evening and that more than $10 billion would be provided by year-end.

MEXICO: *Key Test for Capital's Mayor*

Continued from Page 1

as governor of Michoacan from 1980 to 1986.

"Everybody expects him to perform miracles, to be a superman," Mr. Aridjis said. "But this city can cut off his political head," he added.

A son of one of the country's most beloved presidents from the 1930s, Mr. Cardenas broke away from the governing party a decade ago because of its undemocratic traditions. He has run twice for the presidency without success, in 1988 and 1994.

Assailing the governing party's legacy of corruption and failed economic policies, he was elected mayor in a landslide in July and helped give the Institutional Revolutionary Party its worst election thrashing ever. The party not only lost the race for mayor, a post previously appointed by the president, but also its majority in the Chamber of Deputies, the lower house of the legislature.

Mr. Cardenas now is considered a giant-killer by citizens and political analysts alike, who view him as the top opposition candidate in the 2000 presidential race. But first he must grapple with a city that is a cauldron of contrasts and contradictions.

The city is responsible for 26 percent of the gross national product. An estimated 7.4 million tourists every year disregard its dangers to enjoy its cosmopolitan tree-lined boulevards, famous public murals, historic monuments, ritzy shops, world-class museums and restaurants and mild climate.

Looking for a better future, millions of rural Mexicans have flocked to the capital, overwhelming its aged infrastructure. Today, with an estimated 22 million people, 8.5 of which live within the city proper that Mr. Cardenas will govern, it is by many accounts the biggest, most densely populated city in the world, and home to almost a quarter of Mexico's citizens.

Fresh water is scarce. There are about 2,500 demonstrations, marches or sit-ins every year. The city generates 12,000 tons of garbage per day, helping sustain more than seven rats per inhabitant.

"The city has lost its harmony; everybody fights only for himself," said Vicente Fox, the governor of the nearby state of Guanajuato and a candidate for the nomination of his right-of-center National Action Party for president in 2000. "The city needs order in the streets, in retailing, in business and transportation."

Atrophied politics contributed to the city's woes and the growth of official corruption. Many of the 225,000 city employees owe their jobs to governing-party patronage, while the appointed mayor has been unaccountable to the citizens.

It is against this backdrop that Mr. Cardenas, trained as an engineer, assumes office. No one expects dramatic improvements in problems that have been festering for decades, but residents say they are looking forward to more benevolent, honest leadership.

"If he only makes the city a more pleasant place to live, I give him my blessings because that seems almost impossible," said Cuauhtemoc Hernandez, 52, an insurance company executive and lifelong resident of the capital.

"You don't need to be a hero — just be honest, clean and persistent. But the monster, the city, is big. It's like David versus Goliath. Let's see who wins."

Elizabeth Dalziel/The Associated Press

Three men hoping for business for a streetside car repair business in Mexico City. An influx from the countryside has swollen the population of the metropolitan area to 22 million and overwhelmed infrastructure.

Slovakia's Leader Mandates Press Gag

Reuters

BRATISLAVA, Slovakia — Prime Minister Vladimir Meciar has abolished weekly government press conferences, citing low journalistic standards, the official TASR press agency reported Thursday.

Mr. Meciar, who is regularly accused by journalists of meddling in the press, was also quoted as issuing a warning to publishers to monitor the standards of their publications.

TASR said the government would also stop talking to journalists during visits by foreign dignitaries unless protocol required it. The measures take effect immediately.

Mr. Meciar rebuffed questions in Parliament on Thursday over his cancellation of government news conferences.

Unesco Enlarges List of Treasures

The Associated Press

NAPLES — Pompeii and Buddha's birthplace in Nepal were included with dozens of other sites as world cultural treasures, and wildlife parks in Africa and an ancient Albanian village on Unesco's endangered culture list.

All of the 10 cultural and natural sites proposed by Italy won entry on Unesco's World Heritage list, announced at a conference in Naples.

Selection makes sites eligible for Unesco funding and improves their chances in lobbying home countries and international organizations for money and technical expertise needed for restoration and improved security.

Before this conference, 506 sites had earned Unesco's designation during the last quarter-century. Four dozen sites were added to the list Thursday.

Four other places were singled out as being in particular danger. One was Butrinti, an ancient Illyrian village in Albania near the Greek border, which was looted earlier this year when Albanians rioted to protest the collapse of investment programs.

Other places in danger were victims of ethnic violence, civil warfare and widespread lawlessness in Africa.

Uncontrolled poaching, linked to the deaths of four park staff members this year in Manovo-Gounda-St. Floris National Park in the Central African Republic, was cited.

The two other danger sites named are in the former Zaire, now the Democratic Republic of Congo, where an eight-month rebellion ousted President Mobutu Sese Seko in May.

GOLD: *As International Conference Closes, U.S. Presses Nations to Speed Compensation for Holocaust Survivors*

Continued from Page 1

At the conference in London, about 240 delegates from 41 countries agreed to meet again at the Holocaust Memorial Museum in Washington in the spring or early summer for what the United States foresees as broader inquiries dealing not only with looted Nazi gold but also with stolen real estate, securities, bonds, insurance policies and works of art.

At the same time, Mr. Eizenstat promised a new U.S. government inquiry into "Holocaust-era assets in our country before and after the Second World War" to establish whether, as has been reported, the defunct U.S. Assay Office smelted looted wartime gold belonging to private individuals and handed it back to European central banks in 1952.

The new inquiry, he said, would also seek to trace any dormant bank accounts of Holocaust victims from that era.

Historical assessments at the conference built a picture not just of Nazi pillage across Europe but also of a tangled postwar history in which the claims of Holocaust survivors for the return of looted gold and other assets were either ignored or subsumed in the politics of the Cold War.

But the likely practical outcome of the three-day gathering remained ambiguous.

On Tuesday, the United States and Britain announced the formation of a new fund to channel the remaining 5.5 tons of gold, currently worth about $55 million, that is still awaiting distribution among European central banks as restitution for Nazi looting. But by the close of the conference, two of the biggest potential donors — France and the Netherlands — had not formally agreed to contribute.

Also, there was no indication Thursday whether other countries would accept Mr. Eizenstat's demand for a deadline on historical inquiries and on the gathering and payment of compensation.

One clear result of the conference, — which Mr. Eizenstat called a "landmark event" — has been to confirm Switzerland's long-standing argument that, while it acknowledges its leading role as a wartime financial center for trade in Nazi gold, other neutral countries also did business with the Third Reich.

"Switzerland is in great shape," said Thomas Borer, the chief Swiss representative. He has repeatedly stressed that measures undertaken by Switzerland — including the establishment of a $190 million fund for Holocaust survivors — far outstrip action by other countries. Indeed, the U.S. delegation has spared no opportunity to praise Switzerland's actions.

Against that, though, Mr. Eizenstat's call Thursday for European nations to complete historical inquiries and pay out compensation by the end of the century automatically put new pressure on Switzerland, whose own historians have said their inquiries will not be complete until 2001 or 2002.

The date is particularly important since the Swiss government has made any compensation from state coffers — particularly for the tens of thousands of Jewish refugees Switzerland turned back to face the Holocaust — conditional on the completion of historical inquiries.

Additionally, according to U.S. officials, the next few months are likely to be marked by an intensifying effort to persuade Switzerland's major banks to reach a high-ticket out-of-court settlement with class-action plaintiffs in New York who maintain that Swiss banks denied them access to stolen Jewish assets.

■ Criticism of Swiss and Vatican

The World Jewish Congress said Thursday that the London meeting had "exceeded all expectations," with the exception of Switzerland and the Vatican, The Associated Press reported from London.

The congress said the Swiss were refusing to compensate many Holocaust victims and conducting "business as usual," while the Vatican has refused to open its archives to other countries.

C. Boisseau, P. Hueyos/Explorer

The church of St. Francis in Old Goa, one of the many churches reflecting the region's Portuguese past: market in Madras, the main port on India's southeast coast.

On the Beach in India: Going South to the Seaside

Along the Route From Madras, A Temple Tour

By Edward Hower

MADRAS, India — Walking along the beach south of Madras, I saw what looked like a rainbow rising out of the palm trees. In fact it was one of South India's famous modern temples covered with radiant stone deities. Each one was painted in flame red and sky blue and sea green and hues I couldn't possibly name. The colors were so fresh I could smell them — the sweet odor of new paint mixing with the smoky scent of incense and salt spray from the Bay of Bengal. I seemed to hear them as well, but soon identified the sounds as the pounding of drums, the clanging of a brass bell, and the singsong chanting that accompanies Hindu prayer services.

The Ashta Lakshmi Temple in the Madras suburb of Besant Nager is not one of the huge, important landmarks listed in the guidebooks, but I like its smallness and accessibility. Joining a stream of local people, I climbed narrow stairways all over the facade, pausing to meet the life-size deities face to face. Vishnu, the preserver god, was appropriately regal. His consort, Lakshmi, goddess of love, beauty and prosperity, looked very glamorous — raven-haired Indian film actresses are often compared to her — as she smiled from the wall of a second-story terrace. Worshipers touched her green sari and pressed jasmine petals into her hands. Their approach to the deity was relaxed, informal, personal.

South India is like that, I discovered in June, as I left the city and headed down the coast of Tamil Nadu state with a car and driver toward the city of Pondicherry. This round trip of 100 miles (160 kilometers) is one of the most pleasant short excursions in India. Theoretically it can be done in a day, since the roads are good, but I took three days so I could stop and explore along the way.

Glimpses of Village Life

The suburbs south of Madras are modern and upscale, but on the shore behind the marble-fronted apartment blocks I strolled along village streets lined with houses made of woven coconut-frond mats. Chickens roosted on the sloping thatched roofs. Girls in saris sat on the ground sorting trays of dried fish like silver jewelry. The handle of a pump creaked up and down as women gathered to fill shiny metal water pots. I stepped aside as a small boy led a loping, curly-horned buffalo down the lane.

I'd rented a car and driver from a Madras hotel for about $100 a day. We drove 15 miles south to Dakshina Chitra, a remarkable living museum of architecture, crafts and folk art. Beautiful old brick-and-wood merchants' houses, rescued from the wrecker's ball, have been moved and reassembled, complete with furniture, utensils and toys — as if the inhabitants had just stepped out. The guide described the lifestyle of the owners in such vivid detail that I began to feel like a house guest in another century.

One continuous palm-fringed beach stretches from Madras to Pondicherry, and around Mahabalipuram, the approximate midway point, are a number of beautiful seaside resorts. The quiet little town itself, popular with young travelers, is full of modest restaurants and tiny family-run lodges. At one, the friendly Danussi Cottage, I rented a spotless room and a cot that I moved to the roof so as to sleep under the stars and watch the sun rise over the bay.

The next morning I swam at the beach beside Mahabalipuram's Shore Temple, a delicate, seventh-century stone building so worn away by salt spray that it resembles a filigreed sand castle. Even older are the carvings on one enormous boulder that depict the hero Arjuna and a procession of animals from Indian folklore. The sound of chisels striking stone accompanied my walk around the town's sandy lanes. Sculptors in open sheds were busy carving images of deities. I bought an elephant-headed Ganesh that fitted into the palm of my hand; I could have bought a flute-playing Krishna that would have filled my living room.

Heading south again, I was enveloped by South India's greenness — plantations of shaggy-headed coconut palms and irrigated rice paddies gleaming in the sunshine. The streets of one town ran blue as a stream of girls in blue saris poured out the door of a convent school. A man lovingly washed a motorcycle half-submerged in a stream. I left the car and walked into a field to get a close look at one of the equestrian terra-cotta statues that potters make to guard their villages. This local folk-god seated on his white-painted steed wore a green sarong, a gold crown and a magnificent handlebar mustache.

An hour later we were driving into Pondicherry, where I had booked a room at a guest house. The city, an enclave that remained under French rule for nearly a decade after the British left India in 1947, retains some of the flavor of its colonial years in the streets east of the central canal. I rented a bicycle and pedaled past houses with graceful wrought-iron balconies, carved wooden trim below the slopes of tile roofs, and walls in pastel shades of aquamarine, amber and puce. A miniature Arc de Triomphe nestled beneath the palm trees in a park where families sat on the grass eating *pakoras* (spicy fried snacks) and Popsicles. Just off this square, the Pondicherry Museum was full of musty treasures: graceful Louis-something furniture, ancient Indian coins, endearingly awful paintings, fossils, a palanquin and a picture of a tiger made entirely of painted noodles.

In the colonial district, there are several attractive churches, including one dating from 1770. My favorite was a Sacred Heart Church built in 1902 that looked like a castellated cake covered in gleaming vanilla frosting with cheerful raspberry stripes and lime-green trim. Inside, the brightly painted images of saints bore more than a passing resemblance to the deities I had met at the Ashta Lakshmi Temple.

Along the seafront is a long, breezy promenade where Pondicherrians go to socialize in the evenings. At the south end is the Park Guest House where the large, comfortable rooms have balconies overlooking a flower garden. I went to sleep to the fluttering of fruit bats swooping past my window. On the back of the door was a notice that cautioned me not to smoke, consume alcohol or invite a guest to my room. The edict was enforced by a big photograph over the bed: a white-bearded Indian man and an elderly European woman whose steady glare said, "Don't even think about it!"

These folks were Sri Aurobindo, a revered spiritual leader, and his partner, a French artist who became known as The Mother. In the 1920s they founded a noted ashram, which now owns the Guest House and other Pondicherry property. After Sri Aurobindo died, The Mother started Auroville, an experiment in international living that I visited, six miles north of the city.

On my way back to Madras, my spirits were lifted again at the Golden Sands Beach Resort, a family theme park built around a Pop version of Indian culture and religion. Everywhere I walked I saw statues of lions and elephants and superhero-like gods from Hindu folk tales. Crossing a drawbridge over a moat, kids crowded through a miniature Mogul fort. Parents strolled around a big flower garden planted in the shape of India, each state outlined in hedgerows.

FINALLY I joined the families relaxing on the beach. Fully dressed, they sat on the sand and stared out at the Bay of Bengal. "So peaceful here!" one father murmured to me, smiling. Indian cities are among the most congested on earth; I could understand why the people viewed all this vast open space with a kind of reverence. Evening crowds were beginning to fill the park behind me, but I was content where I was, listening to the quiet voices and the waves splashing against the sand.

Edward Hower, a novelist who spent two years in Indian as a Fulbright professor, wrote this for The New York Times.

Out of the Past, The Portuguese Heritage of Goa

By Martha Stevenson Olson

OLD GOA, India — The small state of Goa, tucked away along India's west coast, is — like India itself, some might say — a puzzlement, predictably confounding expectations at every turn.

It's one of the places travelers to India go to get away from India. Its Portuguese, Catholic heritage lends the state a Mediterranean feeling — whitewashed churches with ornate bell towers are perched on odd hills all over the place — but Hindus make up 60 percent of the population now.

The beaches, when compared to others in south Asia, are not dazzling, and yet there are many coastal resorts of a standard most of the rest of India can only dream about. In the 1960s and '70s, Goa attained legendary status as a place where dharma bums, hippies and holy fools congregated in winter. Those palm-thatched communes by the sea are for the most part gone and in their places have sprouted condominiums, hotels, and restaurants.

Goa is traversed by six rivers, flowing from the Western Ghats down to the Arabian Sea, chief among them the Mandovi, which divides North from South Goa. Its wide mouth and deep water made it an ideal port for the spice traders, colonists and religious crusaders who enlivened the East Indies from the 15th through 19th centuries.

The seafaring Portuguese, who arrived in 1510, established a colony about seven miles up the Mandovi at what is now called Old Goa, and eventually made it the viceregal seat of their Eastern empire. The Portuguese hung on in Goa until 1961, when it and a couple of other Portuguese enclaves, Daman and Diu, were taken over by India.

In 1843, the Portuguese moved the regional capital from Old Goa to Panaji, or Panjim as everyone calls it, which remains the state capital. The town sprawls near the mouth of the Mandovi, on its south bank. It bustles relative to the rest of Goa, but is still a small enough place to traverse on foot, and much of the architecture retains Portuguese influences, with red-tiled roofs, wrought-iron balconies, and narrow, winding streets. Real architectural splendors are to be found up river in Old Goa, which bristles with 16th-century churches, convents and cathedrals. Nonetheless, when our plane from Bombay landed at steamy and lethargic Dabolim Airport, a 20-minute drive south of Panjim, near Vasco da Gama, we did what most visitors to Goa do — we went to the beach.

We first tried Benaulim, a place in South Goa described in our guidebook as tranquil. But the nice people who ran the place couldn't make up for its shortcomings — mosquitoes and lumpy mattresses — and the beach, while wide with frisky surf, was fairly crowded.

OFF TO THE RESORTS The next morning we decamped for the resort area about two miles to the south. This six-mile stretch of beach, which includes Varca and Cavelossim beaches and ends at the wide and muddy Sal River, is much less frequented, cleaner and quite tranquil. The resorts are set back at least 200 meters from the high tide mark, as state law requires, and most are luxury hotels, catering to European tours in winter and affluent Indians in summer.

The shore along this stretch was nearly deserted, most likely because of the season — May, the hottest, stillest month, when most Western tourists have left but the monsoon has yet to arrive. (Also, the surf here, and all along the Goan coast, can be quite dangerous.) In any case, the hotel pools seemed to be more frequented.

When we finally got to Panjim, we went on a sunset cruise on the Mandovi, complete with dancers, live commentary, music and a cash bar. Even though it was touristy kitsch, it was fun, with the sun golden on the water and the fishermen on passing boats spontaneously doing elastic dances to the music wafting past them.

We couldn't find much else to do in Panjim. We strolled the streets, buying roasted cashews and raisins, and let the children play in the municipal park near the Church of the Immaculate Conception, a whitewashed confection that surveys most of Panjim.

ON our second day, we took a taxi to Old Goa, and wandered around in the hollow ruins of the St. Augustine Church, with its towering belfry, overlooking the more impressive churches and cathedral below. Across the road was an intriguing little church set amid an oasis of green, but our first commitment was to the big sights, and so we went down the hill to view the body of St. Francis Xavier.

Francis Xavier's spirit officially departed his body on Dec. 2, 1552, on the island of Sancian, off China, but, despite the reported dredging of the body in quicklime and the passage of time, the flesh did not decompose. After some time, the body made its way back to Goa by way of Malacca, and in 1622 he was canonized.

The coffin was opened every year on the saint's feast day, Dec. 3. Finally in 1755, the king of Portugal, Dom Jose I, ordered the coffin not be opened without special orders from him. The Portuguese took over control of the body, and the church where it rests, in 1765, and through the small windows along the coffin, it appears remarkably well preserved.

The saint's coffin is an important pilgrimage site for Catholics, and the Italianate chapel it lies in, the Professed House, and the adjoining, richly decorated Basilica of Bom Jesus, draw many tourists of other faiths, too. Francis Xavier's remains are in an embossed silver coffin, with cherubim perched on the marble base; paintings and bas-relief sculptures of heads line the tiny chapel's four walls, richly filigreed with plaster.

Having marveled at the mausoleum, the next sight was the cathedral. In contrast to the basilica's dark interior and Italianate ornament, the cathedral is a vast, airy whitewashed hall. Its altars are finely wrought — the front altar is a soaring marvel, richly carved, gilded and ornamented — but the overall feeling is one of gentle limestone decay.

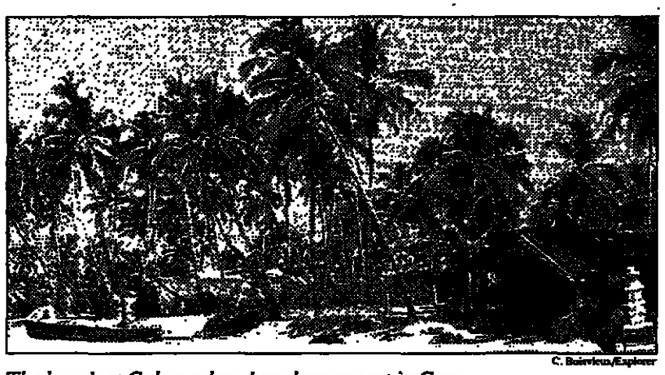
After visiting these two religious sites, and maybe for good measure the nearby Archaeological Museum, with its portraits of phlegmatic-looking Portuguese viceroys and Hindu stone carvings, someone with only a passing interest in religious or historic buildings might happily return to the beach. But there is a timeless serendipity to be found in wandering around Old Goa, and some of the least impressive edifices can be the most memorable. Take, for example, the Chapel of St. Catherine, the first place of worship erected in Old Goa. It is nestled beside a narrow cobbled lane that descends behind the Archaeological Museum. Very little of the original ornamentation remains, but its austere stone slabs and roughly carved beams, combined with its peaceful setting, make it worth a visit.

Settling Down

We decided to try the beaches to the north of Panjim, the ones with the reputations for nude sunbathing, flea markets and high times. We first went to Anjuna, a sandy crescent anchored by a rocky point and headed by a bluff. The beach was almost deserted, save for a couple of Indian families and some gawky Indian youths whose stares made us uncomfortable.

We finally settled in Baga at Captain Lobo's Beach Hideaway, a complex of apartment-style suites. There were two small pools set amid a garden and veranda-style restaurant, and two friendly Great Danes; the guests were mostly well-to-do Indian families on vacation. We swam, ate tandoori chicken and mangoes, chatted with the other guests and occasionally strolled to the beach or to other restaurants or went shopping. Mostly, we lazed.

Martha Stevenson Olson, who writes frequently about Southeast Asia, wrote this for The New York Times.



C. Boisseau/Explorer

The beach at Calva, a low-key shore resort in Goa.

Cuba Stepping Up Efforts to Get Back on the Beaten Path

By Larry Rohter
New York Times Service

HAVANA — Despite a recent series of bomb attacks on a half-dozen hotels, restaurants and discotheques catering to foreign visitors, tourism is flourishing here, and the Cuban government, which for three decades rejected the industry as an exploitative capitalist execration, is stepping up its efforts to attract travelers and provide them with new facilities and attractions.

At an October news conference in Havana, Eduardo Rodriguez de la Vega, deputy minister of tourism, acknowledged that the widely publicized bombings this summer, which Cuba attributed to Miami exile groups, had slowed the growth of tourism. But he shrugged off the idea of any long-term effects. "In spite of the incidents that have occurred here, Cuba continues to be one of the safest tourist destinations in the world," he said. After the arrest early in September of a young Salvadoran, no further attacks have been reported.

Just three years ago, Cuba attracted only 600,000 foreign visitors. But by 1996, that figure had risen to 1.2 million. Rodriguez de la Vega said he felt comfortable predicting that by 2000 as many as 2 million foreigners could be visiting Cuba annually.

Under the U.S. Trading With the Enemy Act, it has been illegal since 1963 for Americans, with a few exceptions, to spend any money in Cuba. Though the embargo would have to be lifted by the federal government to change this, visitors who look, sound and behave as if they are from the United States can increasingly be encountered in Cuba.

Havana has sought to compensate for isolation by courting Canadian, Latin American and especially European tourists (and, for Americans eager to avoid problems when they return home, by offering the option of not having a Cuban visa stamped into their passports.)

For tourists of any nationality, combining a visit to Cuba with a stopover somewhere else in the region is becoming easier than ever. In the last year, for instance, nonstop air service between Havana and Montego Bay, Jamaica and Guatemala City has begun, and Mexico's Aero Caribe line has announced plans to fly three times a week between Cancun and Varadero, Cuba's principal beach resort.

A Major Hotel Project

To accommodate the anticipated influx, Cuba has embarked on a major hotel construction and renovation effort. Only 27,000 rooms are deemed suitable for foreign tourism, but the government hopes to double that figure in less than a decade through joint ventures and other collaborations with established European and Latin American hotel chains. On Oct. 4, for instance, the first Club Med in Cuba opened in Varadero.

While numerous other hotels in the capital, Varadero and other popular resorts like Cayo Coco already meet international standards, the pickings remain much slimmer for visitors to provincial capitals like Santa Clara or Camaguey. There, the majority of hotels are antiquated, service is lackadaisical and food both mediocre and limited.

Nor can Cuba be considered a bargain destination. Although some tourists, Canadians and Mexicans in particular, have been quick to take advantage of prepaid package tours bought in their home countries, all transactions within Cuba — or at least legal ones — must take place in dollars or other hard currencies. The feeble Cuban peso trades at exchange houses open to Cubans only at the rate of 23 pesos to the dollar.

In addition, the government has recently imposed taxes on private rental lodgings in an apparent effort to discourage the residents of houses and apartments from letting out rooms to foreigners traveling on tight budgets. Rodriguez de la Vega made it clear that the Cuban government has no interest in such visitors, saying they are not people who bring money to the country.

As a result of that philosophy, charges for hotels, transportation and meals in Cuba are at much the same level as at other Caribbean destinations, in return for what is generally a lower level of comfort. Nevertheless, many travelers have learned to cut costs by dining at *paladares*, small, legally sanctioned restaurants that are run from private homes and provide dramatically better food and service than their state counterparts, and by relying on clandestine private taxis.

هكذا من الأصل

ARTS GUIDE

AUSTRIA

VIENNA
KunstHausWien, tel: (1) 712-0495, open daily. **Continuing/** To Jan. 18: "Herb Ritts: Work." 200 works by the photographer of fashion and celebrity (born 1952) who is drawn to pure lines and strong forms.

BELGIUM

BRUSSELS
Palais des Beaux-Arts, tel: (2) 507-8466, closed Mondays. **Continuing/** To Jan. 4: "Kunst in de Bank." A selection of 200 works from the late 15th to the early 20th century, from a collection held by Banque Paribas.

TERVUREN
Royal Museum for Central Africa, tel: (2) 769-5211, closed Mondays. **Continuing/**To April 30: "Legacies of Stone: Zimbabwe, Past & Present." An overview of the cultural richness and diversity of the country, from the rock paintings of Paleolithic times, to the stone architecture of Great Zimbabwe in the 12th and 13th centuries and to the multimedia contemporary art scene.

BRITAIN

LONDON
Barbican Art Gallery, tel: (171) 638-8891, open daily. **Continuing/** To Dec. 14: "Don McCullin: Sleeping With Ghosts." More than 200 prints covering the British photographer's war, social documentary and landscape photography.
National Gallery, tel: (171) 747-2885, open daily. To Feb. 1: "Making and Meaning: Holbein's Ambassadors." The exhibition explores the personal and political background to the commissioning of this picture of two French representatives at the court of Henry VIII.
Serpentine Gallery, tel: (171) 402-6075, open daily. To Jan. 25: "Piero Manzoni." Reopening after a year of renovation, the gallery presents three-dimensional floor pieces and drawings created by Manzoni (1933-1963), a contemporary of Klein, Rauschenberg and Jasper Johns. Manzoni's work anticipated Conceptual art and Arte Povera.
Tate Gallery, tel: (171) 887-8000, open daily. **Continuing/** To Jan. 4: "The Age of Rossetti, Burne-Jones and Watts: Symbolism in Britain, 1860-1910." The works of the British Symbolists are displayed alongside paintings by their Continental contemporaries, Odilon Redon, Gustave Moreau and Fernand Khnopff.

MANCHESTER
Manchester City Art Galleries, tel: (161) 236-5244, open daily. To Feb. 22: "Pre-Raphaelite Women Artists." Landscapes by Rosa Brett, allegorical subjects by Evelyn de Morgan and historical paintings by Eleanor Fortescue Brickdale present the hallmarks of the style: vivid colors, chivalric fantasies, iconic presentation of women and sacred themes. The show brings together 90 paintings, watercolors, drawings and photographs.

In Berlin: Stravinsky, pictured by Irving Penn in 1948.

DENMARK

HUMLEBAEK
Louisiana Museum of Modern Art, tel: 49-19-07-19, open daily. To Jan. 11: "Alberto Savinio: Paintings, 1927-1952." Thirty mythological compositions, still lifes and landscapes that combine abstract and figurative elements, by Giorgio De Chirico's brother.

FRANCE

PARIS
Louvre, tel: 01-40-20-51-51, closed Tuesdays. **Continuing/** To Jan. 5: "Graveurs en Taille-Douce des Anciens Pays-Bas, XVe-XVIe Siecles." The exhibition features 110 copper plate engravings by Flemish masters, such as Lucas van Leyden (1494-1533).
Musee Cernuschi, tel: 01-45-63-50-75, closed Mondays. **Continuing/** To Jan. 4: "Pierres d'Immortalite." More than 100 Chinese jade pieces dating back to the 15th century B.C.
Musee d'Orsay, tel: 01-40-49-48-14, closed Mondays. **Continuing/** To Jan. 18: "La Collection Havemeyer: Quand l'Amerique Decouvrait l'Impressionisme." 40 paintings and pastels by Mary Cassatt, Courbet, Degas and Monet, from the collection of Henry Osborne Havemeyer, an American baron of the sugar industry, and his wife. And to March 2: "Vilhem Hammershoi." A selection of paintings by the Danish artist (1864-1916).

GERMANY

BERLIN
Galerie Camera Work, tel: (30) 31-50-47-83, closed Sundays and Mondays. To Feb. 14: "Irving Penn: Photographien." A retrospective of approximately 60 photographs by the American photojournalist (born 1917).
Neue Nationalgalerie, tel: (30) 266-2653, closed Mondays. **Continuing/** To Jan. 4: "Exil: Flucht und Emigration Europaischer Kunstler, 1933-1945." An exhibition of 130 works by painters, sculptors, architects and photographers who fled Hitler's Germany.

MUNICH
Kunsthalle der Hypo-Kulturstiftung, tel: (89) 22-44-12, open daily. **Continuing/** To Jan. 11: "Cobra." More than 100 works by Alechinsky, Appel, Corneille, Jorn and Benjamin Constant.

HONG KONG

University Museum and Art Gallery, tel: 2975-5600, closed Sundays. To Dec. 15: "Heavenly Horses." A selection of 100 objects reflecting equestrian art in China. The exhibition features representations of the horse, from the first stone carvings of the Neolithic period to paintings from the Ming and Qing dynasties. Another section features bridles and saddles from the Warring States and the Liao era. The show will travel to the Forbidden City in Beijing.

ITALY

BOLOGNA
Galleria d'Arte Moderna, tel: (51) 50-28-59, closed Mondays. To March 8: "Arte Italiana: Ultimi Quarant'anni." Features works by more than 70 contemporary Italian artists, such as Adami, Sandro Chia, Zoran Music and Mimmo Paladino.

VENICE
Palazzo Grassi, tel: (41) 522-1375, open daily. **Continuing/** To Jan. 11: "Expressionismo Tedesco: Arte e Societa, 1909-1923." 250 works by German Expressionists including Beckmann, Dix, Grosz, Kokoschka, Kirchner, Pechstein and Schmidt-Rottluff.

NETHERLANDS

ROTTERDAM
Museum voor Volkenkunde, tel: (10) 411-2201, closed Mondays. To April 19: "Syrian Icons." More than 40 icons from the 19th century. While the figures represented — Mary, the Apostles and local saints — are part of the traditional iconography, the decoration of the clothing and furniture is typically Oriental.

SPAIN

VALENCIA
IVAM Centre Julio Gonzalez, tel: (6) 386-3000, closed Mondays. To Dec. 14: "Joan Mitchell." More than 40 paintings document the evolution of the American Abstract Expressionist (1926-1992).

SWITZERLAND

GENEVA
Musee Rath, tel: (22) 310-52-70, closed Mondays. **Continuing/** To Jan. 11: "Moments of Eternity: Egyptian Art From Private Collections." 200 works, created as a means of attaining the world beyond, highlight the different genres and periods of Egyptian art, from the 4th millennium B.C. to the Roman occupation.

ZURICH
Kunsthaus, tel: (1) 251-6765, closed Mondays. **Continuing/** To Jan. 18: "Arnold Bocklin, Giorgio De Chirico, Max Ernst: Eine Reise ins Ungewisse." More than 200 works by Bocklin (1827-1901), Chirico (1888-1974) and Ernst (1891-1976) that cover 120 years of painting from Romanticism and Symbolism to Surrealism.

UNITED STATES

NEW YORK
Metropolitan Museum of Art, tel: (1) 212-570-3791, closed Mondays. **Continuing/** To Feb. 8: "Jackson Pollock: Sketchbooks and Drawings." The exhibition features three early sketchbooks, ranging from the mid-1930s to 1940, and a selection of drawings, by the American Abstract Expressionist painter (1912-1956).

WASHINGTON
National Portrait Gallery, tel: (202) 357-2700, open daily. **Continuing/** To Jan. 25: "Edith Wharton's World: Portraits of People and Places." More than 100 paintings, miniatures, manuscripts and memorabilia from the author's life (1862-1937).

EUROPEAN TOUR

Finnish Radio Symphony. Under the direction of Jukka-Pekka Saraste, and with Christian Tetzlaff, violin, the orchestra performs works by Sibelius and Lindberg: Toulouse, France (Dec. 8), Valencia, Spain (Dec. 9), Luxembourg (Dec. 11), Brussels (Dec. 12), Orleans, France (Dec. 13). The tour ends in Paris on Dec. 15.

Orchestre de Paris. An all-Beethoven program featuring symphonies No. 7 and 8, and the Konig Stephan Overture, is performed by the orchestra, conducted by Wolfgang Sawallisch. The Spanish tour includes Madrid (Dec. 15), Valencia (Dec. 16), Seville (Dec. 17) and Palma de Majorca (Dec. 19).

CLOSING SOON

Dec. 7: "Lines From Brazil." Works by three contemporary Brazilian artists. **Whitechapel Art Gallery, London.**
Dec. 7: "L'Autre Visage: Masques Africains de la Collection Barbier-Muller." **Banque Generale du Luxembourg, Luxembourg.**
Dec. 7: "Carl August Ehrensvard." **Nationalmuseum, Stockholm.**
Dec. 8: "Kunst und Wahn." **Bank Austria Kunstforum, Vienna.**
Dec. 8: "200 Years of Watercolors." **National Gallery of Ireland, Dublin.**

Claire Niggli

Egyptian necklace clasp, exhibited in Geneva.

MOVIE GUIDE

Keith Hamshere

Joanne Whalley and Bill Murray in "The Man Who Knew Too Little."

MIDNIGHT IN THE GARDEN OF GOOD AND EVIL
Directed by Clint Eastwood. U.S.

There's some powerful mojo working in Clint Eastwood's "Midnight in the Garden of Good and Evil." But unlike the magic of the movie's cackling voodoo priestess, the spell doesn't quite have the anticipated effect, unless Eastwood intended to put the audience to sleep. Like the South, the movie is sumptuous and somnolent. John Cusack is a zombie in the leading role of John Kelso, a Yankee journalist based on the book's author, John Berendt. With his keen wit and sharp observations, Berendt must have been considerably livelier than Cusack's Kelso, who lucks into a murder case while visiting Savannah. Kelso is meant to be our guide into this alien universe, but he's as daft as an infatuated lover, swooning over a Savannah wrapped in mystery and hung with garlands of Spanish moss. The city is the leading character in the nonfiction novel, but here it not only steals scenes but upstages the mystery surrounding Jim Williams (Kevin Spacey), a nouveau riche antiques dealer accused of killing his hotblooded young lover, Billy (Jude Law). The shooting occurs the night of Williams's prestigious Christmas party, which draws Savannah's most prominent and colorful citizens and serves as Kelso's introduction to a sideshow of Southern Gothic wackos: Minerva (Irma P. Hall as the aforementioned voodoo queen), a retired chauffeur who faithfully walks an imaginary dog, and a crackpot inventor with a swarm of flies tethered to his head. The Lady Chablis, a drag diva who plays herself, headlines this freak show and injects the idling 137-minute affair with much-needed energy and momentum. Her sassy patter, liberally peppered with profanity and patois, almost makes up for Cusack's zombification. A stylish and scenic failure, Eastwood's version of "Midnight" will surely serve the Savannah Chamber of Commerce well. But it is a surprisingly hidebound view of Southern Gothic myth from a man who thoroughly debunked the fiction of the gallant frontier in "Unforgiven" and managed to make a good movie out of the simplistic "The Bridges of Madison County." *(Rita Kempley, WP)*

THE MAN WHO KNEW TOO LITTLE
Directed by Jon Amiel. U.S.

"The Man Who Knew Too Little" is yet another movie high on concept and low on execution. Yearning to combine the lunatic spirit of the Pink Panther, the panache of James Bond and the suspense of Hitchcock, this comedy turns out to be a one-joke movie executed in routine fashion. The single joke revolves around a dimwitted visitor to London who thinks he is enjoying a night of participatory theater. In fact, he has blundered into a plot by high-ranking British and Russian intelligence officers to explode a bomb at a lavish hotel banquet where an Anglo-Russian peace treaty is to be signed. Renewed hostility, the officials gleefully foresee, will restore their budgets, increase staff and get them new weapons and poisons. Derived from the novel "Watch That Man" by Robert Farrar, the plotting relies heavily on misinterpreted words, like ambassador (actually the cigars, not the envoys), port (the wine, not the harbor), gone (not dead but departed), that probably convey more humor on the page than on the screen. Neither an inspired physical comedian nor the beneficiary of clever lines, genuinely inventive situations or intensifying suspense, Bill Murray rides through the silliness of "The Man Who Knew Too Little" mainly on a funnyman reputation established 13 years ago in "Ghostbusters." *(Lawrence Van Gelder, NYT)*

THE JACKAL
Directed by Michael Caton-Jones. U.S.

"The Jackal" is painted — or more accurately, marketed — with broad but entertaining brush strokes. To enjoy it, however, you have to do the mental equivalent of squinting your eyes, so the credibility is only fuzzily ridiculous. You must also forget the immeasurably superior movie ("The Day of the Jackal," 1973) on which it was based. And you must focus on its basest pleasures, such as Bruce Willis's ice-cold performance as the assassin at the heart of the story. When an elite, mysterious killer (Willis) accepts a $70-million hit job on a high-up figure in the American government, an international good-guy team scrambles. FBI Deputy Director Carter Preston (Sidney Poitier), working with Valentina Koslova (Diane Venora), a Russian career officer, is obliged to spring imprisoned Irish operative Declan Mulqueen (Richard Gere) from jail. Mulqueen, who has met the Jackal and knows the tricks of his trade, agrees to help the coalition, provided he can see his old flame Isabella (Mathilda May), a Basque separatist. As the Jackal moves closer to his target, Mulqueen and company do their frantic best to track him. But the assassin is a master of disguise — at least to anyone who can't recognize the star of "Die Hard" wearing silly wigs and mustaches. What we have here is two expensive movie stars shoulder-barging their way through a flimsy movie that has been rewritten and rewritten — not to be a better story, but to make them look good. To attract worldwide audiences to this race-against-the-clock story, we have a mostly European lineup. *(Desson Howe, WP)*

ANASTASIA
Directed by Don Bluth and Gary Goldman. U.S.

"Anastasia," the latest animated feature from Don Bluth and Gary Goldman, is a triumph of survivability and sampling. If you can't beat the paw-stepping momentum of the Mickey Uber Alles entertainment machine, then imitate, imitate, imitate! Bluth and Goldman, graduates of Walt Disney's military industrial complex (where they shaped such films as "Pete's Dragon" and "The Rescuers"), have fashioned their picture to look just enough like Disney without incurring a lawsuit. They've also infused the movie with enough of their own creativity to claim authorship. "Anastasia" isn't going to make history — in fact, its retelling of the czarist demise is clearly anything but history. The songs, by Lynn Ahrens and Stephen Flaherty, are hardly the bouncy, sing-along standard of even Walt Disney's lower offerings, but the movie is infinitely more enjoyable than Disney's sleazily commercial "Hercules." *(Desson Howe, WP)*

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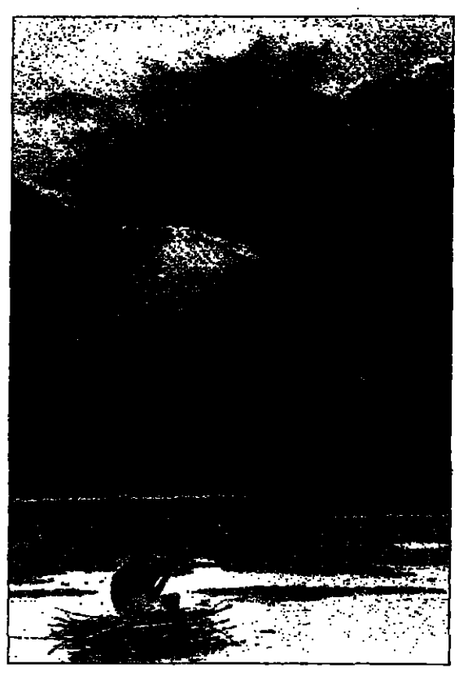

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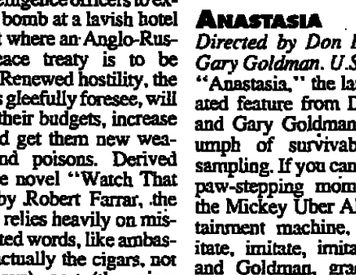

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THE FREQUENT TRAVELER

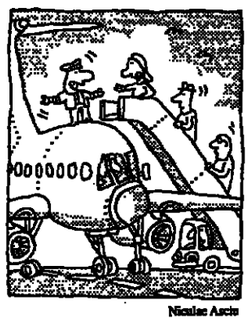
Overbooking Leads To More Bumping

By Roger Collis
International Herald Tribune

YOU can expect it sooner or later. That gaggle of people at the departure gate waving tickets as people file past to board the plane means that the flight is overbooked and you as a late-arrival are about to be bumped. Whether you make the flight (and your meeting in Hong Kong) or in which class you fly (you might be upgraded or downgraded) is likely to depend on how much you paid for your ticket, your preeminence in the frequent-flier hall of fame and your management style. It's much the same process as trying for an upgrade; except this time it's a matter of survival — getting a seat on the plane!

Bumping, or "involuntary denied boarding" in airline jargon, is what happens when you are refused a seat on a flight for which you have a confirmed reservation. The reason passengers are bumped is because airlines oversell flights by up to 50 percent to compensate, they claim, for no-shows — people who fail to turn up for a flight on which they are booked. This is the work of airlines' "yield management" aimed at maximizing "load factors," or the number of seats filled.

No-shows are most likely to be full-fare travelers with flexible tickets who fail to cancel a booking, or make multiple backup bookings on several flights or airlines. Bumping for them can mean bumping down a class (or bumping up a class if you're lucky): It is leisure (and business) travelers on restricted tickets in the back of the plane who are most likely to be left at the gate.


Nicolas Arcis

Ironically, you are least likely to be bumped off a low-cost no-frills carrier: You either show up or lose your ticket. "We do not overbook because we don't have the problem with no-shows that afflict our high-cost brethren," says Tim Jeans, marketing director of Ryanair in Dublin, "because the majority of our tickets are nonflexible and nonrefundable: If people don't show up they forfeit their fare."

Airlines claim that bumping doesn't happen nearly as much these days because their yield-management systems are fine-tuned to forecast no-shows on a seasonal, daily and per-flight basis. "We would never remove a must-fly premium passenger from a flight: normally we get more volunteers than we need," says Philip Maddock, supervisor, passenger services, for American Airlines at Heathrow.

Industry insiders are skeptical. Airlines are enjoying a sellers' market as growing demand for seats matches capacity for the first time in a decade. The Association of European Airlines (representing 26 carriers) reports 66.5 percent load factors for October within Europe and between North Africa and the Middle East; 74.3 percent in the Far East and 79.9 percent in the North Atlantic. "There are signs that airlines are increasing levels of overbooking to keep planes as full as possible," says Mike Platt, director, commercial affairs at Hogg Robinson Travel in London. "This in turn is resulting in more travelers being turned away despite having a confirmed reservation."

Duplicate Bookings

Sefik Yuksel, general manager, trade affairs at the Association of European Airlines in Brussels, says: "Competition between rival computer reservation systems in some markets encourages travel agents to make duplicate bookings — including fictitious names — to fulfill incentive targets. Airlines find it hard to manage such unpredictable no-show rates: It really screws up their systems. So airlines compensate by overbooking more, which may mean that travelers are more likely to be bumped."

Richard Lovell, vice president Europe for Carlson Wagonlit Travel, says: "We don't have any hard figures; it's more anecdotal. But we're getting more complaints about airline overbooking. Four years ago, you could usually get a seat on another flight within a short time. Nowadays if you're bumped, there's a pretty good chance there's nothing available for some time because of higher loads.

"I commute to Paris and coming back to London Friday evening I know damned well that if I don't get my flight at 7:30 I will not be able to get the one at 8:30 and little chance of making 9:30. In which case I have to stay over.

"It's only happened to me once, but it's inevitable that as planes get fuller, the impact of any bumping is greater because there's less capacity to be bumped into. This encourages business travelers on a full-fare ticket to make duplicate bookings, which they rarely cancel. You don't know whether you can make it at the airport for 6 or 7:30, so you book on both, because if you wait until 6, you probably won't get on the 7:30. Airlines allow for this by overbooking even more.

"It's unlikely anyone turning up in good time with a full-fare ticket will be refused boarding. But business travelers are used to sliding in to the airport in a four-wheel skid just before the aircraft doors shut; it is late-shows that get bumped off the flight on the assumption that they are no-shows."

Melody Goodman, a director of Gray Dawes Internet Travel in London, says: "You're always going to have an overbooking problem as long as airlines allow people to book a full-fare ticket without paying for it now and there's no penalty if people don't turn up. When you have an agent you have a certain amount of control. But with people now booking through the Internet, airlines are more vulnerable to no-shows, and one assumes they'll be overbooking more.

"Premium-fare passengers often get bumped at the last moment. If you can't get a pre-assigned seat, you know there's going to be some sort of problem. If airlines won't pre-assign you a seat it means they haven't got one to give you, so you have to turn up early and hope it works out. A lot of the time it doesn't work out. You're unlikely to be left behind, but if you're expecting to travel in business class to the Far East, it's no prize to find yourself in economy — although they'll bump an economy passenger off the plane to give you a seat."

THE Department of Transportation in the United States requires airlines to first ask for volunteers to give up their seats if a flight is overbooked — compensation is left to the airline. This may be conducted as a kind of auction at the gate, usually for cash or travel vouchers plus travel on another flight. If you are bumped involuntarily, airlines must pay you $200 if they can't get you to your destination in less than two hours on domestic flights and four hours on international flights. If the delay is longer, you are entitled to a maximum of $400 plus overnight expenses and a refund on your original ticket. The European Union has similar rules for airlines departing from airports in Europe.

"If we are overbooked, we automatically go into the auction process, offering compensation to volunteers to go on a later flight," says Andy Plews, a spokesman for United Airlines. "There are no set limits. For example, if you are traveling from Washington to London, you might be offered departure an hour later on our flight to Paris connecting to Heathrow with arrival two or three hours late, plus cash or a travel voucher for $300. If there's no later flight, we'd pick up hotels, meals, phone calls and so on; there are no set limits; we try to solve the problem right there at the gate."

THE CAR COLUMN

Taming the Porsche 911: A New Charger

By Gavin Green

IF the Porsche 911 were a horse, it would have been shot years ago. Brash, headstrong animals are never popular. Unruly cars are even worse. After its birth, almost 34 years ago, Porsche and its customers quickly noticed there was a problem with the 911. Sure, those early 911s looked great, but with its rear-mounted engine, slung VW Beetle-like behind the rear axle, it was a treacherous handler. Combine a wet road and a tricky corner, and 911s liked to wag their tails behind them, in a manner which, in this instance, showed no signs of faithful obedience.

As the years rolled on, 911s got faster and meaner-looking and pricier, but their intrinsic unruliness remained. There developed a sort of machismo quality about them — "Hey, look what I can control," rather as if you were taking a wild stallion out for its first ride. Other attractions were that they were handsome, well-built, good value and reliable. There was certainly a practical face to them. But the Mr. Hyde side was still dominant. To make matters worse, Porsche even launched a turbocharged version. Sure it was fast. But it was also bordering on the uncontrollable, at least if you used the performance potential.

Nobody was more surprised at the sales success of the 911 than Porsche itself. On more than one occasion it tried to pension off the old charger. The marvelous 928, of 1978, was an attempt to tempt 911 fans away with a more conventional sports car. It failed. The 924, the 944, the 968, all attempts either to replace or at least supplement the 911, have all come and gone. But the 911 soldiers on.

Sameness and Differences

And now there's a new one. It's still called 911 — for there is no more famous set of numbers in motoring than these. And it still looks like a 911, even though all the body panels, and all the mechanicals are new. It's a 911 for the 21st century and, what's most impressive, it handles with a friendliness that old 911 hands just won't recognize.

Whereas the old 911 had a hyperactive nervousness about its steering and general deportment that always kept the driver alert, the new one is far more stable. This does reduce the entertainment value, but it also makes for a much more relaxing car. A faster one, too. This new 911 strings corners together with far more aplomb than the old monster ever did.

The mechanicals may be new, but their layout is the same. A new flat-six engine, water cooled this time rather than air cooled, which muffles much of the old din, is still out there at the back, behind the rear axle, driving the back wheels. In extremis, the new 911 would probably still slide off the road, tail first, if you were daft enough to push it so hard. Yet the longer wheel base, the new suspension, and all the other changes now make for a better balanced, more neutral handling car.

You can still feel the car's attitude change as you alter the steering and accelerator pedal when going around corners at speed, and still marvel at the car's lightning-reflex feedback. The difference is that now you can trust it and work together with it, rather than continually fight it as you try to meet its challenge. It is now an ally, not an opponent.

The cabin is much roomier, too. Old 911 cockpits were not only appallingly designed, with switches sited with all the thoughtfulness of pieces of shot fired from a blunderbuss, with cabin plastics that would look more appropriate swathing the interiors of 1970s Ladas, and with a windscreen that was so close that it felt like you were wearing a pair of vast one-piece spectacles. The new one is not just more spacious, it's also better designed and trimmed, although the switches — borrowed from the Porsche Boxster model — are rather shiny and cheap-looking. The rear seat is for briefcases, not people.

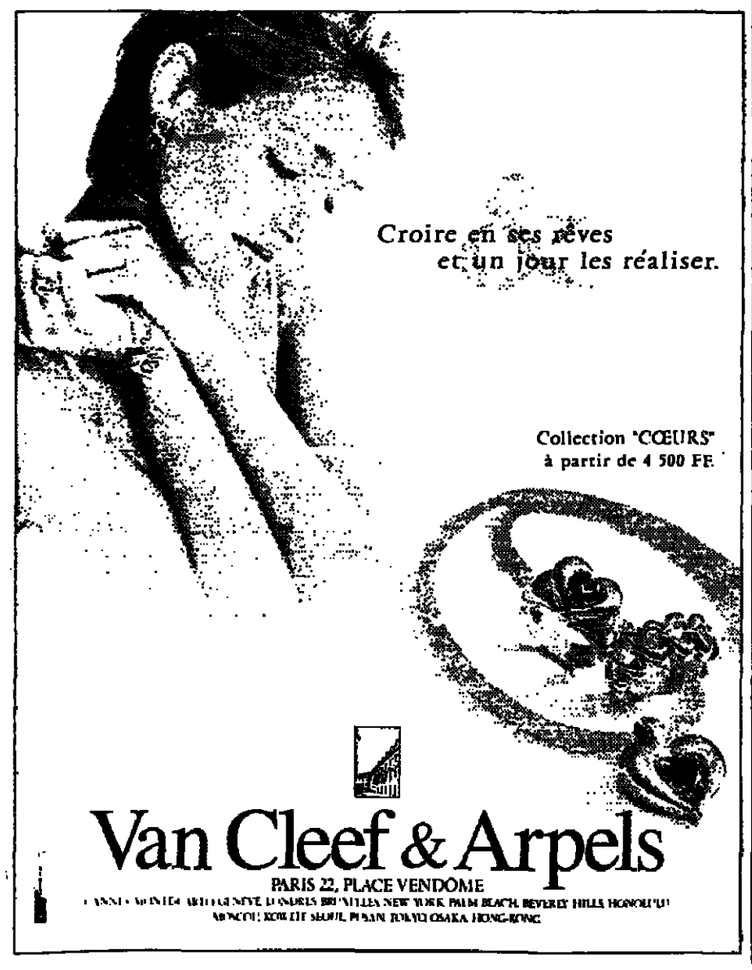
It's for the speed, the handling, the stupendously good brakes and the looks that you'll buy this Porsche. You will be disappointed on no front.

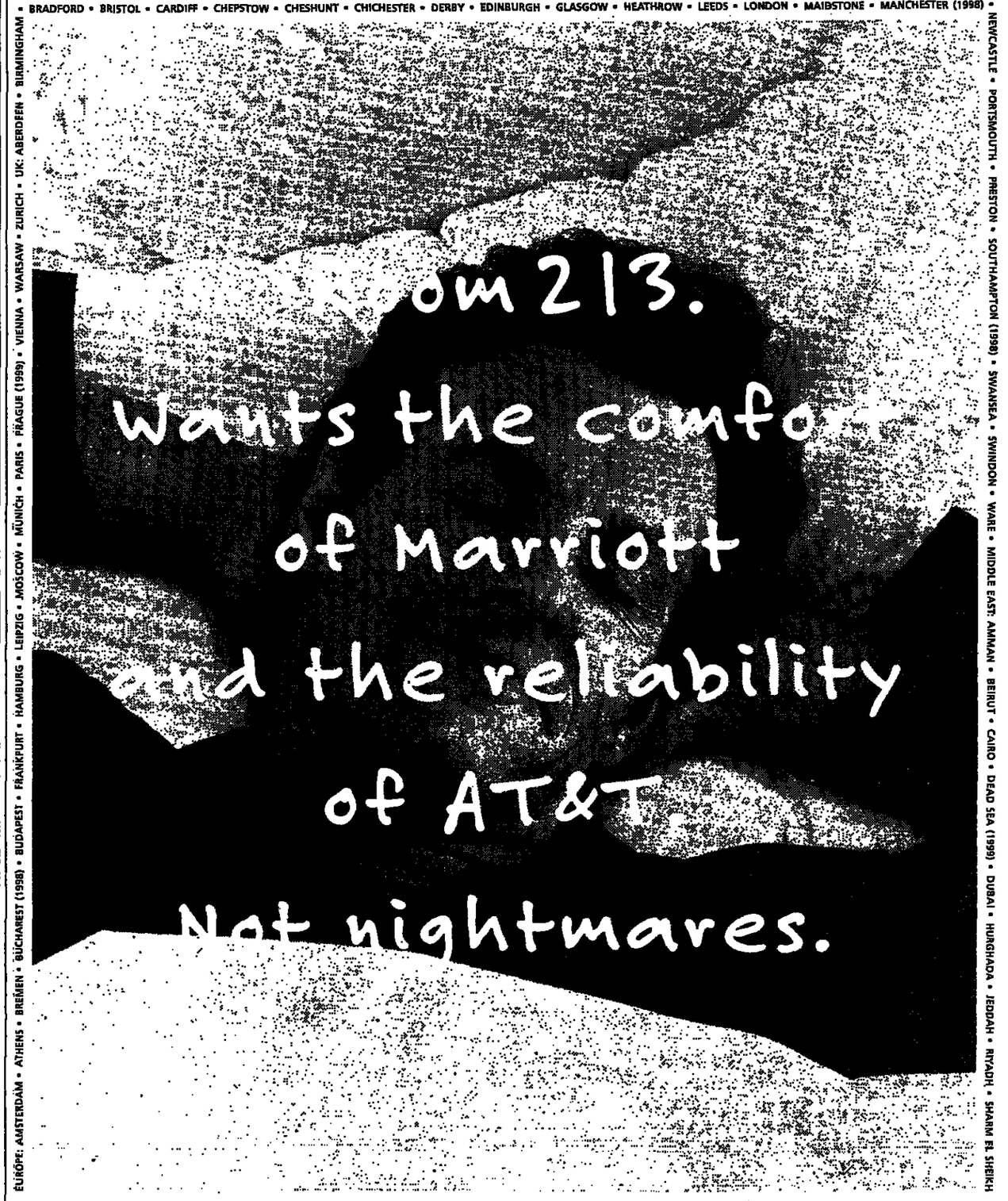
Maybe that idiosyncratic tame-me-if-you-can challenge is missing, and maybe that was an area that old masochistic 911 lovers liked. But the upshot is a better and much more versatile sports car, one that can speed across continents, swoop over winding roads, and look quite lovely when parked in the drive.

● Porsche 911. About $110,000. Horizontally opposed six-cylinder engine, 3387cc, 300 bhp at 6,800 rpm. Six-speed manual transmission (Tiptronic five-speed automatic optional). Top speed: 280 kph (174 mph). Acceleration: 0-100 kph in 5.0 seconds. Average fuel consumption: 10.8 liters/100 km.

Next: The Alfa Romeo 156

Gavin Green is the editor in chief of Car magazine.





Herald International Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Trouble in Russia

While the attention of the world's financiers has been turned to the unraveling economies of Asia — South Korea most recently — trouble is brewing in another "emerging market" of more than passing interest to the United States. Most of Russia is in Asia, too, of course, but the epicenter of nervousness is west of the Urals, in the financial markets of Moscow. There, foreign investors have withdrawn billions of dollars in recent weeks, sending the stock market tumbling and raising fears of a collapse of the ruble. Russian officials have appealed — again — to the International Monetary Fund, and also to private bankers, for help in averting a crisis.

This threat to Russia's fragile reforms could not come at a worse time — although, in the perils-of-Pauline history of post-Soviet Russia, there could not have been a good time. For most of this year, optimism has legitimately held the upper hand. President Boris Yeltsin emerged from heart surgery more energetic than he had been in years. He appointed a new team of young reformers into an unusually coherent government. Their intention was to whip an essentially bankrupt government into shape, collecting taxes at a normal level and selling off state-owned industries in order to stabilize the ruble, allow the economy finally to begin growing, and pay the salaries and wages that many Russians had not received for months. That in turn would have a political benefit, showing the majority of Russians that they could benefit from reform.

Through the summer and into the fall the government seemed on track. But now the dominant picture is of backsliding. With foreigners pulling out, major privatizations will have to be postponed. The central bank has had to jack up interest rates, which will discourage investment in factories and so postpone an upturn in the economy. Once again, enterprises are amassing huge debts among each other, and the government's debt is growing, too — a sanitized way of saying that teachers, soldiers and nuclear power plant workers once again are not being paid.

If all this stemmed only from a temporary loss of foreigner confidence, the IMF could step in without difficulty. But, as in other emerging markets since Thailand began to collapse in July, the contagion may land anywhere, but it takes hold only in economies with fundamental problems of their own. And Russia has plenty of those. Its reform team has recently been weakened by scandal, and political opposition continues to block needed changes in the tax code, the land law, pensions, the armed forces and much more.

Moreover, the IMF is not coming fresh to Russia, as it came to South Korea this week. The multinational lending facility of last resort already has approved a $10 billion loan to Russia, with certain conditions. This fall it postponed a scheduled $700 million disbursement because Russia was not meeting those conditions — was not collecting enough taxes, among other fairly significant shortfalls. Now Russia's benefactors cannot ignore a failure to meet the terms of the original loan simply because the nation's problems have worsened. But nor can the IMF and its biggest backer, the United States, afford to let Russia and its fragile economic reforms fail altogether, with potentially dire consequences.

It is a terrible dilemma, but the first step has to be for Russia to get its own economic program back on track.

— THE WASHINGTON POST.

Neglected Iraqis

The UN Security Council is considering whether to let Iraq keep selling limited amounts of oil to buy food and medicine and tend to other humanitarian needs. At first glance, that seems an odd step while Saddam Hussein is still shutting UN arms inspectors out of government buildings and palaces where terror weapons may be stored. Yet these supervised oil sales, conducted under strict monitoring safeguards, make good policy and can ease some of the hardships on the Iraqi people that have accompanied international economic sanctions.

The oil-for-food program has been promoted from the beginning by the United States, the country that has most consistently insisted on full Iraqi compliance with all UN resolutions. Washington's reasoning is that given Saddam's record of deception and defiance, the United Nations' prohibition on unrestricted Iraqi oil sales may have to remain in place for a long time, and nothing is to be gained by prolonging the suffering of the Iraqi people. Baghdad, seeking a quick end to all oil sanctions, long resisted the program, and thus it did not actually get under way until late last year.

Since then Iraq has been allowed to sell $2 billion worth of oil every six months, about one-fifth the level before the Gulf War. The money goes into an escrow account controlled by the United Nations. The proceeds are then divided, with one-third deducted to compensate victims of Iraqi aggression and to pay for UN administrative expenses, and the remaining $1.3 billion going to approved humanitarian purchases. At American insistence, the program has been designed so that the money does not pass through the hands of the Iraqi government, and the distribution of food and other supplies is monitored by the United Nations to assure that relief gets to those actually in need, including the Kurds.

Washington, which gets a say on every supply contract signed, is satisfied that the program has not been abused. It is being fully utilized. In the most recent six-month period, well over 95 percent of the money available for humanitarian purchases was spent. UN Secretary-General Kofi Annan has suggested that the program be expanded. The next few weeks should be spent carefully determining exactly how much more revenue, if any, is required.

Saddam Hussein has never liked this program because it assumes long-term oil sanctions and because he considers the monitoring provisions to be an affront to Iraqi sovereignty. But he has shown no interest in using Iraq's financial reserves, not to mention millions that he has personally salted away in foreign banks, to buy food and medicine for his people. Instead he has poured government funds into building biological, chemical and nuclear weapons and constructing opulent palaces for himself and his family. The United Nations was right to step in on behalf of Iraq's neglected civilian population and should continue doing so.

— THE NEW YORK TIMES.

Other Comment

Historic Changes in China

Truly historic changes are readily apparent inside China. While the wholesale metamorphosis anticipated by U.S. policymakers in 1979 has not yet visibly mellowed those at the apex of Communist Party power in Beijing, it has dramatically altered the social landscape in myriad villages, towns and urban neighborhoods.

The essence of totalitarianism lies in the exercise of total control over people's lives, both public and private. By this measure, China has ceased to be totalitarian.

Three of the Communist state's traditional weapons of control have been visibly attenuated by two decades of reform: the power to allocate economic rewards and punishments; the power to define cultural norms and tastes; and the power to control the movement of information, ideas and individuals.

Today the Chinese people exercise a far greater range of choices in living their lives than ever before. With the growth of market forces and the steady rise of non-state-dominated sectors of the economy, individual citizens have unprecedented opportunities to choose where to live, where to work, what to buy and, increasingly, what to think.

Information sources have proliferated in China like mushrooms after the proverbial spring rain. Hundreds of nongovernment-run magazines, newspapers, publishing houses and radio stations operate throughout the country, disseminating information and opinion on a wide variety of issues, state-approved and otherwise.

Political democratization has been slow to materialize at the national level, but the picture appears considerably brighter at the grassroots level.

— Richard Baum, commenting in the Los Angeles Times.

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Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 119800. Tel. (65) 472-7768. Fax: (65) 274-2334
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Bring Out the Plan and Make Netanyahu Choose

By Thomas L. Friedman

WASHINGTON — For the past year Benjamin Netanyahu has sent out two messages: (1) I am the only leader in Israel today who can carry the ball over the goal line — who can produce a stable majority for a final peace deal with the Palestinians; and (2) I can't move the ball downfield now because my hard-line coalition won't let me.

Prime Minister Netanyahu may be right. It is time to find out. Is his coalition the reason he is unable to do great things on the peace process, or is it a great excuse for doing nothing?

To find out, begin by looking at Israel's political map. The electorate is divided into roughly three parts.

There is the nearly 50 percent who voted for Labor and support Oslo. There is the roughly 25 percent, the security hawks, who voted for Mr. Netanyahu because they wanted to proceed with Oslo but wanted a better Oslo, with better Palestinian compliance and better territorial terms for Israel. And there is the other 25 percent, the ideological hawks, who voted for him because they wanted to kill Oslo.

It may be true that he is the only figure today who could take the 50 percent from Labor, combine it with the 25 percent of his security hawks who want a better Oslo, and produce a solid "75 for 75." That is, a 75 percent majority for giving back 75 percent of the West Bank, which would constitute a serious Israeli offer for a final deal.

Mr. Netanyahu wavers between those who want to improve Oslo and those who want to kill it with no fingerprints. He did do the tough Hebron withdrawal, but he also talks about the peace process as though it were the diplomatic equivalent of taking out the garbage, and signals to Palestinians that his concept of peace may be just a new form of occupation. So how to get him to decide who he is?

My guess is that he looks at this largely through his political lens. He will not make a decision on peace that could break up his coalition until he absolutely has to, until he is sure he has downgraded everyone's expectations as much as he can, and until he is confident that the deal on the table will bring him maximum chance for re-election.

The best way to produce that moment of truth is for the Arabs and Palestinians to put their own cards on the table now, which they have miserably failed to do. When was the last time Yasser Arafat spoke to Israelis about the possibilities that peace might open for both peoples?

The Arab states, led by Egypt, regularly complain about how dishonest Mr. Netanyahu is, but their criticism of him disguises a deeper reluctance to accept Israel. The Arabs say they don't want to be economically and militarily dominated by Israel. Fine. What relationship *do* they want?

The Palestinians need to lay down a credible peace offer that would attract the Labor Party, the Likud security hawks and at least some of the ideological hawks. That plan exists. It was negotiated by the Labor Party's Yossi Beilin and Mr. Arafat's deputy Abu Mazen before Yitzhak Rabin died.

Without any obligation to either side, these two men sat down to see if they could produce a reasonable final deal. They did. Their plan calls for Israel to keep virtually all its West Bank settlements, but for Palestinians to get most of the land, and for Israel to retain control over a united Jerusalem, but for Palestinians to have their own Jerusalem capital, Al Quds, just outside the city limits. Some key Likudniks have already endorsed it.

Mr. Netanyahu, on his own, will never make such a credible overture. He will always be asking himself: Why split my party for a plan I don't know the other side will accept? Then I'll have the worst of all worlds — no party and no peace.

The only way to get him to choose between peace and his party's unity is for Palestinians (and Americans?) to take the initiative, officially make Beilin-Abu Mazen their plan, and put it on the table. (It's the best Palestinians are going to get anyway.)

Most of Labor would embrace it, and a significant portion of Likud would be tempted. Then Mr. Netanyahu would have a solid majority if he wanted to act. Then we could find out if he is really a leader capable of taking the ball over the goal line or is only a leader capable of dragging Israel into slow-death overtime.

The New York Times.

Human Responsibilities, Yes, but Don't Be Dogmatic

By Flora Lewis

NAPLES — The idea of articulating the essential principles of morality, a global ethic that can apply to everybody everywhere, is spreading with increasing insistence.

It is the other side of the awareness, often aggrieved, that globalization of economics and technology is no longer a contentious thesis but an irresistible reality with concrete effect on people's lives.

Political, social, cultural expectations and demands are dragged along in this vast new transformation, creating a sense that ruthless, impersonal forces of the market are rocketing societies out of control.

The constraints of religion and tradition are here shattered, with nothing solid to replace them, there asserted with aggressive, mindless violence in the attempt to cope.

A number of international groups, politicians, theologians, scholars, technocrats, students have gathered in the past few years in an attempt to identify the problems and what might be done about them. Unesco held the second meeting of what it calls "the universal ethics project" here, convening mainly philosophers to see what their discipline might contribute.

Not surprisingly, they were able to agree that our common humanity does include some common, basic moral impulses. But they were a long way from agreement on how these could be and even whether they should be codified as everybody's obligations.

Hans Küng, a Catholic theologian from Tübingen University in Germany who has challenged Vatican authority, has worked out a draft Declaration of Universal Human Responsibilities for the United Nations to consider endorsing as a complement to the Universal Declaration of Human Rights on the declaration's 50th anniversary next year.

It has had the sponsorship and advice of the InterAction Council, a club of former heads of government whose political experience and retirement from power leave them in a position to think large.

It is a long, detailed document, avoiding obvious intense controversies such as abortion, seeking essential inspiration from the Golden Rule.

The philosophers were not convinced. Philosophers look for distinctions, where politicians look for compromise. It turns out that it is a lot easier to recognize evils that are universal than the universal good to which all should feel committed.

"Cultural relativism," the notion that good and evil, right and wrong, are judgments each culture is entitled to make for itself with no hierarchy of differing values, is widely rejected.

But some have a strong sense that the dominant discourse on values is simply a continuation of Western dominance, an attempt to impose Judeo-Christian and Enlightenment principles on the rest of the world, which had to learn about them through colonialism. These people reject the claim of universality. They suspect it is just another power play, a way of still keeping them down.

And yet there is a palpable yearning, especially among the young, for some kind of unifying vision, a set of acknowledged ideals with which to address and tame the mechanics of greed, of selfishness, of loss of community, which seem to be taking over the world.

If globalization cannot be satisfactorily resisted — and it cannot, despite desperate attempts that go as far as the atrocious rule of the Taleban in Afghanistan — there needs to be a way to manage it and to help people adapt with hope and dignity.

This mounting debate about the need for a global ethic is an admission that something is missing. The ecological movement itself reflects a recognition that since this globe is finite, means must be found for everybody to share in the responsibility for protecting its capacity to sustain our life.

But the more I hear of the arguments about what the new commandments for human behavior must be, the more convinced I am that there is a futile hubris in demanding that definitive solutions be found, even in principle, since the world is not going to be fixed overnight.

There is no ultimate solution to the tensions between the individual and the community, freedom and responsibility, the weight of the past and the need of the future. If there is one thing we ought to have learned by now, it is that anyone who has the final answer is guaranteed to be wrong, and probably disastrously.

These are issues that require balance, and the appropriate balance itself will shift with changing times, place, circumstance. What can and should be sought is an ethical code for constantly improving and adjusting that balance, making change that is inevitable less a cause of suffering, more a reason for hope.

Proclaiming common responsibility alongside common rights is, I think, a good idea. It is an aspiration for striving, not for settling once and for all.

Flora Lewis.

Time for America to Reach a Nuclear Deal With India

By Selig S. Harrison

WASHINGTON — The civilian nuclear power agreement reached in October between the United States and China should serve as a model for a similar accord to defuse growing tensions between the United States and India over nuclear arms control issues.

Bill Clinton is expected to go to New Delhi in February, for the first visit by a U.S. president since Jimmy Carter's in 1978. Indian leaders will undoubtedly ask him why China, a nuclear weapons power with a record of exporting nuclear and missile technology, should be able to buy U.S. nuclear technology denied to India, a country that does not deploy nuclear weapons and has never exported nuclear or missile technology.

India and Pakistan have both demonstrated an ability to make nuclear weapons. Until two years ago, the United States repeatedly pressed New Delhi and Islamabad to give up their nuclear option. But in January, 1995, then Defense Secretary William Perry announced an important reversal of policy.

Mr. Perry acknowledged that "the nuclear capabilities of India and Pakistan flow from a dynamic that we are unlikely to be able to influence in the near term." He continued: "Rather than seeking to roll back (which we have concluded is unattainable in these two countries) we have decided instead to seek to cap their nuclear capabilities."

Despite that pronouncement, America has failed to give India and Pakistan concrete incentives to cap their nuclear weapons potential at present levels.

The agreement with China has made it urgent for the Clinton administration to explore a nuclear bargain with India in which New Delhi would make comparable nonproliferation and arms control concessions in return for access to U.S. civilian nuclear technology and U.S. cooperation in nuclear safety.

Until an accommodation is reached with India, no agreement with Pakistan is possible.

In the first stage of a realistic new approach to nuclear diplomacy in South Asia, the administration should offer to seek congressional approval for civilian nuclear technology transfers to India, now barred by the 1978 Nuclear Nonproliferation Act, in return for three major concessions by India.

India would agree to extend the application of international safeguards, now limited to one U.S.-supplied reactor near Bombay, to all seven of its civilian nuclear power reactors and any new power and medical research reactors supplied by U.S. or other foreign investors. This would prevent the diversion to military purposes of fissile material produced with U.S. cooperation.

In accordance with Mr. Perry's recognition of India as a nuclear-capable power, the arrangement would not affect the research reactors and reprocessing facilities where India's militarily applicable nuclear stockpile is produced. These facilities would remain exempt from inspections.

Second, India would make some form of binding de jure commitment not to export nuclear technology, formalizing its present de facto policy. This would place India in accord with a key provision of the nonproliferation treaty. New Delhi has hitherto been firm in its refusal to export nuclear or missile know-how, turning down multibillion-dollar requests for nuclear purchases from Moammar Gadhafi and Saddam Hussein.

Third, India would have to compromise with the United States on the issue of a nuclear test ban. New Delhi has refused to sign the test ban treaty, insisting that it be linked with a timetable for reduction of their nuclear weapons by the existing nuclear powers.

But India might agree to stop testing without formally signing the treaty, either immediately or after conducting one or more final tests, as China did before agreeing to sign the test ban.

The Indian government could make a declaration, endorsed by Parliament, citing the key provisions of the treaty and explicitly pledging that India would comply with these provisions. This could take the form of a unilateral declaration or an undertaking to the United Nations or the United States.

Such an agreement would set the stage for broader negotiations in which Washington would seek commitments by India and Pakistan to cap the further accumulation of weapons-grade fissile material and to continue refraining from the deployment of nuclear weapons.

This would be a realistic possibility only if the United States and Russia moved more rapidly to reduce their nuclear weapons as the prelude to multilateral reductions embracing China, Britain and France. In the absence of such movement, neither India nor Pakistan is likely to sign the stalemated fissile material cutoff agreement now being negotiated in Geneva.

The United States would benefit both politically and economically from such a bargain. Politically, apart from the overall benefits of improved relations with a rising power with nearly a billion people, America would acquire significant influence in one of the most sensitive sectors of the Indian economy.

Economically, it is in the American interest to facilitate a diversification of energy sources in India and China alike, thus curbing a reliance on petroleum imports that will increasingly deplete world supplies and drive prices up.

With its energy needs burgeoning, India wants to offset its dependence on petroleum and coal with a big expansion of its nuclear power capacity. Imports of nuclear reactors from Russia are under discussion. Indian officials are signaling that imports from the United States and other foreign sources would be welcome, and that full foreign ownership of nuclear plants would be permitted. India could absorb up to $50 billion in investments by foreign nuclear technology suppliers during the decades ahead.

The Clinton visit will come at a hopeful moment when India's economic growth rate is averaging 7 percent, American investment commitments exceed $8 billion, and cultural links between the world's two largest democracies are growing.

But in the absence of a nuclear bargain, tensions over nonproliferation are likely to poison all aspects of Indian-American relations.

The writer, a senior scholar at the Woodrow Wilson International Center and author of four books on South Asia and U.S. relations with it, contributed this comment to the International Herald Tribune.

The Message to Iraq

By Bill Richardson

The writer is U.S. ambassador to the United Nations.

UNITED NATIONS, New York — The unconditional return of the full team of UN weapons inspectors to Iraq is an important achievement not only for the United States but for the international community, a community united in its resolve to block the threat posed by Saddam Hussein.

As a result of determined diplomacy backed by formidable forces, the inspectors can resume their vital mission to find, destroy and prevent Iraq from rebuilding nuclear, chemical and biological weapons and the missiles that carry them.

They must be permitted to do so unimpeded.

Some assessments can be made clearly now that the crisis has abated and the inspectors have returned.

Diplomacy backed by force works. President Bill Clinton sought a peaceful solution of this crisis so long as that solution was consistent with America's fundamental interests, while taking the steps necessary to ensure our ability to pursue other options. That combination — diplomacy backed by force — has a powerful ability to concentrate an adversary's mind, as we have seen in Haiti and Bosnia.

The president's deployment of military might to the region, including aircraft carriers and land-based aircraft, was the steel in the sword of diplomacy.

The international community has awakened to the threat posed by Iraq's weapons-of-mass-destruction program. For six years the dedicated professionals of the UN Special Commission worked effectively, but out of the limelight, to prevent Iraq from developing the most terrible weapons known to humanity. In just two weeks Saddam's defiance — and our determination that he not succeed — awakened the world to their vital mission. As a result, there is greater consensus than before this showdown to give the special commission the tools and authority to do its job.

The five permanent members of the Security Council agreed in Geneva that the special commission should seek ways to pursue its mission more effectively, and the United States made sure that any changes in the way the commission operates would be subject to approval by the Security Council — where the United States has a veto.

To the extent that Saddam used the inspectors' two-week absence to hide weapons, he has only delayed any possibility of lifting sanctions.

This comment has been adapted from a longer article in The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: German Troops

BERLIN — The *Norddeutsche Allgemeine Zeitung* announces officially that 1,200 men of the marine infantry and 200 gunners will shortly leave for China. Germany's forces there will, in February next, number 4,600. The Government continues to maintain absolute silence regarding its intentions and this despatch of reinforcements. But there can be no doubt that this silence is intended to prevent a Chinese attack before the arrival of the ship Kaiserin Augusta in January.

1922: Lusitania Case

NEW YORK — The Cunarder Lusitania, sailing from this port on May 1, 1915, carried no guns, soldiers or explosives within the meaning of the law, and could not have been blown up by any explosives she carried, according to a report made by Mr. Dudley Field Malone, then Collector of the Port of New York. He explains that the report is now made public as a result of repeated demands from sources here and abroad, especially from the Committee to Establish the Causes of the War.

1947: European Union

NEW YORK — William C. Bullitt, former American Ambassador to France and the Soviet Union, urged a European customs union and eventually a political union of the free peoples of Europe to prevent Soviet domination of the Continent. Addressing a dinner of the English-speaking Union in the United States, Mr. Bullitt said that unless the American government can persuade the governments of western Europe to create a democratic federation, all Europe will be united under Soviet tyranny.

OPINION/LETTERS

Reno Takes the High Road: It's Uphill From Now On

By E. J. Dionne Jr.

WASHINGTON — If Attorney General Janet Reno had called for an independent counsel to investigate President Bill Clinton and Vice President Al Gore for the 1996 campaign abuses, she could have washed her hands of the whole mess.

Instantly, she would have put herself on the same page as FBI Director Louis Freeh and won loud plaudits from Republicans in Congress as an independent-minded hero. And President Clinton couldn't have touched her.

She did things differently. In the long run the political and legal systems are better off for it.

This is not the end of the investigation of President Clinton, though it does take much pressure off Mr. Gore. "Any decision not to ask for an independent counsel does not mean that a person has been exonerated," she said, "or that the work of the campaign finance task force has ended."

This decision was sealed weeks ago when Ms. Reno decided to focus on whether fund-raising phone calls made from the White House violated a 100-year-old law. There was no precedent for such prosecutions.

Republicans quickly attacked her for the narrowness of her ruling. But as Senator Carl Levin, Democrat of Michigan, noted, some of the same Republicans had once insisted that the phone calls were not a narrow issue but a big deal that needed investigating, which Ms. Reno did. "They're shifting the goal posts just to keep the pot boiling," Mr. Levin said.

Unfortunately for the Democrats, there's more to the story.

Mr. Clinton's 1995-96 ad campaign, paid for with unregulated "soft money," has come under legitimate attack, and not just from Republicans. The ads certainly violated the spirit of the reform laws passed after Watergate, which provide taxpayer money to presidential candidates who agree to limit their spending. A strong case can be made that Mr. Clinton's involvement in planning the ad campaign violated the letter of the law, too. Common Cause, the reform group that could never be confused for a right-wing anti-Clinton outfit, has made that case as well as anyone.

Mr. Clinton believes he found a loophole in the law that let him run the ads because they focused on "issues" and because they never said "vote for Clinton." Even if a court were to rule in Mr. Clinton's favor, his choice was dead wrong and profoundly damaging to the political system. By continuing to open loopholes, the Supreme Court does make Mr. Clinton's case look stronger. Nonetheless, his reading of the law is tendentious at best.

But it's far from clear that it's the job of an independent counsel to settle such legal arguments. And any investigation of Mr. Clinton would have to look into comparable Republican campaign abuses. If the Republicans really believe what they're saying about soft money, they should call for an independent counsel to look into both sides, as Common Cause has.

FBI Director Freeh's break with Ms. Reno is a much bigger problem for Mr. Clinton. Democrats will get nowhere if they say Mr. Freeh's call for an independent counsel is his way of currying favor with a Republican Congress. Mr. Freeh's straight-arrow reputation inoculates him against this charge. More plausibly, Mr. Freeh may believe the FBI was hurt by congressional criticisms of the bureau's handling of other investigations and wants an outside counsel to give his agency immunity from criticism this time.

Mr. Freeh also has substantive disagreements with Ms. Reno. He has a different view of the case and the law. He thinks there may be two conspiracies, one within the Clinton administration and one by the Chinese government to influence the election. The possibility of a conspiracy tips him toward a counsel. And he worries that Ms. Reno's Justice Department has an inherent conflict of interest investigating the president.

Mr. Freeh's view may yet carry the day. But Ms. Reno's decision leaves time for that. Her judgment is that sticking another independent counsel on the president is a decision not to be taken lightly — or in response to pressure. She's right, especially given the performance of recent counsels and the Republican leanings of the judicial panel that would select this one. Justice is not disserved by her insistence that the case needs to develop further.

In the meantime, Mr. Freeh and Ms. Reno should air their grounds for disagreement as publicly as they can. It's too late, with all the leaks, to say this is an internal matter.

This dreary mess leaves the campaign laws in tatters. That, in large part, is Mr. Clinton's fault. The independent counsel statute is more hopelessly mired in partisan politics than ever. The Republicans have much to do with that. So much for the Watergate reforms. Ms. Reno keeps trying to preserve a precarious balance. Don't envy her. It will only get harder.

Washington Post Writers Group.

Tony Blair, My Mother And Dirty Laundry

By Margaret Webb Pressler

WASHINGTON —. Some people bring home strays. My mother brings home orphans.

By orphans, I don't mean young, parentless children whom my mother raises as her own; I mean full-grown adults, groups of adults or even families. The people my mother collects are

MEANWHILE

circumstantial orphans — they are new in town, their accommodations fell through, a spouse is away, or some other such situation that leaves them in need of, well, a mother.

Many of these orphans are men, which says something about the charm my Southern-bred mother possesses. They range from handyman types to visiting diplomats; you just never know who's going to be under her hospitable wing at any given time.

Some of these orphans become longtime friends, but many enter and leave my mother's life with the arrival and passage of some crisis. They depart and she wonders about them for years. But some go on to do great things that she later hears about.

Like Tony.

Just how Tony Blair came to be one of my mother's orphans is a story that involves the future British prime minister doing his family's laundry off my parents' bedroom in Cleveland Park. When Mr. Blair was elected in a landslide last spring and my mother recounted her history with him, about which I had known nothing, I almost didn't believe it. Then *again, this was my mother.*

Now every time I see Mr. Blair in the news — mourning Diana, negotiating peace — I think about his dirty laundry, which is different from that of most politicians. It also reminds me how much is lost when we close ourselves to chance encounters, avoiding or fearing stray humans instead of embracing them. Why complicate our lives? Because, to my mother's way of thinking, that's part of why we're here.

My mother picks up many of these people through her activities as a real estate agent. This part of her life was immortalized recently in a book written by Beppe Severgnini, an Italian journalist who came with his wife to Washington for a year and fell under my mother's care from almost his first day here. He went home and wrote "Un Italiano in America," in which he detailed several of his dealings with my "sweetly authoritative" mother.

"L'agente-mamma," he calls her.

Anyway, back to Tony Blair.

Ten years ago or so, Mr. Blair was a member of Parliament and came to Washington on his way to West Virginia to tour coal mines. The trip was organized by the AFL-CIO, which housed Mr. Blair, his wife, his two young children and a nanny in a Washington hotel. But the family wanted to find someplace a little more relaxed to stay on this Labor Day weekend, so my mother got a call from a friend who organizes tours, who wanted to know if she could find the visitors an apartment for the weekend. My mother duly found them a flat on Capitol Hill, picked them up and drove them there.

It being Labor Day, she also invited the Blairs over for a barbecue. This being America, she also suggested they bring their laundry. They were undoubtedly too shocked to turn her down.

When the Blairs showed up for dinner, bags of laundry in tow, Tony Blair and my mother got to work loading the washer. "Utterly down to earth" is how she described him.

After dinner, my mother insisted that the Blairs borrow my parents' enormous green Ford that, to a Brit, must've looked like a tank. This way, my mother explained, they could make their own schedule in West Virginia and have a look, perhaps, at Skyline Drive.

Days later the Blairs returned, dropped off the car, thanked my mother profusely and made their way back home. "Come to England!" they said. "We'll give you a tour of Parliament!"

But the way these things often work out, you don't take people up on their offers. My mother moved on, and like many men before him, Tony Blair became just another in a long list of orphans I never even knew my mother had. Until one day he got famous, and I got to tell the tale.

Margaret Webb Pressler is a Washington Post staff writer. This article is from The Post.

LETTERS TO THE EDITOR

Scientologists Respond

On Dec. 2, the IHT ran an article concerning the tragic death of the Scientologist Lisa McPherson (*"Police Studying a Life and Death in Scientology"*) that had appeared on the front page of The New York Times the day before.

The article was a biased distortion of the facts that used the tragedy of Ms. McPherson's death to present a misleading picture of the activities of the church and its members in the city of Clearwater, Florida.

The church and its members have been an active part of the local community for many years and have continued to be involved with a variety of betterment projects.

Members of the church recently formed a citizens' association to undertake projects to improve and beautify the downtown area.

Working with the support of city officials and the business community, church volunteers spent several weeks trimming trees and decorating buildings in white lights. Others wrapped the city's light poles in red candy stripes. That effort has been supported by Mayor Rita Garvey, City Commissioners Karen Seel and Bob Clark and City Manager Michael Roberto.

This community betterment organization is supported by more than 100 local business persons and is based on revitalization projects that have been successful in other parts of the state. Volunteers have already raised more than $16,000 in support of projects to improve the city.

During the Christmas season, the church sponsors activities that provide food, clothing and toys to those less fortunate. These are the programs that Lisa was directly involved with when she was alive.

For the past nine years, the church has hosted 4,500 foster children and their parents at the church's Fort Harrison retreat. Sponsored by the church's Community Auxiliary, the foster children's party allows foster children to visit with brothers and sisters who live in other foster homes. For many, it is the only time of the year they are able to see their siblings.

This community effort also involves nearly 100 individuals and dozens of businesses, which donate money, goods and services. Local corporate sponsors include McDonald's, AMC Publishing and Nationwide Title. Others have contributed by donating canned goods or providing them at discount prices.

Such assistance, combined with financial support from many individuals and the dedicated help of volunteers from throughout the community, has made the foster children's Christmas an annual success.

The church's annual Winter Wonderland is the single largest holiday event in Clearwater. This special gift to the city of Clearwater, which includes a variety of special holiday events and activities for local families, is made possible through the efforts of the church and its parishioners, working in conjunction with local business and community leaders.

That is the real story of the church's relationship with the city and one that the media refuse to print. Rather, they chose to distort the events surrounding Lisa McPherson's tragic death in an effort to blacken the image of those who, like Lisa, are working to improve their lives and their communities.

HEBER JENTZSCH.
Los Angeles.

The writer is president of the Church of Scientology International.

Although I have seen many and various types of media coverage about my religion, in all my years with the Church of Scientology I have never before seen a local Florida story that is two years old be written about in an international newspaper.

In addition, nothing new was brought to light in the article. The writer only continues to abuse the passing of a church parishioner in the most unseemly and indecent way I have ever witnessed.

One death did not cause controversy. Twisted reports of this nature try to do just that.

It is the writer who is a willing puppet in the hands of the only two perpetrators of "controversy" against the church on this issue, the Clearwater police and the German government — who have a stake in fomenting negative media coverage so as to justify their continued campaign of bigoted harassment and abuse of our church and its membership.

I have never before seen a religion tried in the press as a result of the death of one of its parishioners.

PAT JONES.
Clearwater, Florida.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

BOOKS

TWENTIETH CENTURY'S FOX: Darryl F. Zanuck and the Culture of Hollywood

By George F. Custen. 435 pages. $27.50. Basic Books.

Reviewed by Robert Sklar

IN the dog days of August 1941, a few months before Pearl Harbor, two isolationist senators accused Hollywood of making propaganda movies advocating U.S. intervention in the European war. Foreigners ran the movie studios, they charged, and were pursuing their own interests rather than the nation's.

Called to testify before the Senate Interstate Commerce Committee, several movie moguls, indeed foreign-born, had a hard time defending themselves. Then came, Darryl F. Zanuck, head of production at 20th Century-Fox. Birthplace? Wahoo, Nebraska. Background? The Methodist church. Hollywood was doing a top-notch job of selling the American way of life, he proclaimed. After Zanuck spoke, the isolationists found nothing more to say about the movies.

This episode doesn't make it into George F. Custen's new biography of the producer. Although a telling footnote in the nation's history, it's clearly incidental to the author's purpose of rehabilitating the reputation of a Hollywood figure whose greatness he regards as insufficiently appreciated. Custen's admiration for Zanuck is refreshing. It not only violates the rules of present-day biography, which require that the mighty be brought down a few pegs. It also flies in the face of popular Hollywood history.

In the standard version (much like the isolationist senators'), uncouth, uneducated Eastern European Jews operated the movie studios, with one exception — the uncouth, uneducated Midwestern Protestant, Zanuck. A slightly more elevated account credits Zanuck as a crass also-ran among the boy-wonder producers of Hollywood's 1930s golden age, trailing behind the ethereal genius Irving Thalberg and the brilliant dynamo David O. Selznick.

If you're looking for schooling and manners, Custen implies, don't cast your eyes on Hollywood. He's more interested in the lurid, pulp-fictional world of urban mass culture that, in his view, lay at the heart of Zanuck's movie-making knack.

How did a Nebraska boy connect with urban mass culture? Well, for one thing, Zanuck (1902-79) didn't stay long in Wahoo. From age 7 he spent most of his youth in Glendale, California, hard by Hollywood. Not yet 15, he lied about his age to enlist in the army and managed to get shipped overseas during World War I. A teenage veteran, he began writing promotional copy and sensationalistic fiction, mostly self-published. This background landed him in the Warner Bros. story department, where he furiously scripted scenarios under multiple pseudonyms. He turned Rin Tin Tin into a star and in the late 1920s, still a twenty-something, was appointed executive in charge of production.

Zanuck helped carry Warner Bros. into the sound era and through the first dark years of the Great Depression. His metier was the story conference. Analyzing a script with its writers, he would dramatically act out scenes while sharpening the plot line, punching up character traits, highlighting the audience's "rooting interest," as a stenographer took down every word for the file.

Later, as head of Fox, he built a stable of trusted subordinates, including writers Lamar Trotti, Nunnally Johnson and Philip Dunne, and director John Ford, who were responsible for the classics "Young Mr. Lincoln" (1939), "The Grapes of Wrath" (1940), and Zanuck's first Academy Award best picture, "How Green Was My Valley" (1941). Zanuck's reputation began to slip in the 1950s as the studio system crumbled before television's onslaught. In 1956 he abruptly quit the Fox helm, left his wife, moved to Europe, and took up with starlets. There was one more stint as Fox president, with his son Richard as production head, during the disastrous (for the movie industry) 1960s. In his last years he became a living relic of a vanishing breed, the moguls, whom a later era had come to view as cigar-chomping, egomaniacal buffoons.

How does one make the case for a mogul's greatness? One of Custen's strategies is to emphasize the wider cultural significance of the producer's output. He credits Zanuck with shaping the famous Warner Bros. gangster films of the early 1930s, then shifting at Fox later in the decade to historical and nostalgia themes — both styles, he suggests, emblematic, indeed formative, of larger trends.

ANOTHER, even more insistent, approach is to claim Zanuck as the major creative figure on the important works with which he was associated. No doubt moguls deserve more respect than they've been granted, but Zanuck's skills were as an administrator and orchestrator, in exhortation and critique, not as the primary artistic talent.

Custen, a professor at the College of Staten Island, City University of New York, and author of a previous study of Hollywood's biopic genre, has written a thoughtful and readable book which, nevertheless, seems anachronistic in its insistence on a great man theory of movie history.

Robert Sklar, who teaches film studies at New York University and is author of "Movie-Made America: A Cultural History of American Movies," wrote this for The Washington Post.

BRIDGE

By Alan Truscott

BRIDGE players from the Chicago area seemed poised to win the Reisinger Board-a-Match Team Championship.

The scores at the start of the final two sessions were: first, Bart Bramley, Howard Weinstein, both of Chicago, Steve Garner of Northfield, Illinois, and Sidney Lazard of New Orleans, with 37.91 boards; second, Steve Zolotow, Harold Lilie and Marc Jacobus, all of Las Vegas, Nevada, 35.48; Ron Smith of San Francisco, and Bob Crossley of Greenbrae, California, 35.48; third, Tom Fox of Glenview, Illinois, Walter Schafer Jr. of Bloomingdale, Illinois, John Sutherlin of Dallas and Russell Ekeblad of Providence, 34.19.

Leading in the North American Swiss Team Championship, with 132 victory points, were Jack Coleman, of San Francisco; Matt Granovetter of Israel; Mark Molson of Côte St. Luc, Quebec; Boris Baran of Montreal; Drew Cannell of Winnipeg, Manitoba, and Mark Stein of Ottawa. Second, with 113.3, was a Midwest squad headed by Jeff Schuett of Riverwoods, Illinois.

Also in contention in the North American Swiss was a group that included Alan Sontag of Manhattan, Jeanne Rahmey of Brooklyn and Norman Kurlander of Flushing, New York. Sontag's play on the diagramed deal helped his team snatch one of the last qualifying positions for the final. As South, he opened one spade and persevered with four spades over West's four-heart overcall.

West led two top hearts, and Sontag made the key play of discarding a club. Now he could not be prevented from driving out the spade ace, drawing trump and making his game. If he had routinely ruffed the second heart lead, West would have been able to duck one round, win the second and play a club. South would then have had no way to prevent a diamond ruff.

His play at the second trick had cut the defender's line of communication in the club suit and guarded against a remote danger: a 5-0 West was left to discover that an inspired underlead of his heart honors, setting up a diamond ruff, would have beaten the game.

In the replay, East-West played five hearts doubled, which could not be defeated. Sontag's team gained 16 imps.

NORTH
♠ Q 5
♡ 8 2
◇ J 10 7 4
♣ A 9 8 4 3

WEST
♠ A 4 2
♡ A K J 9 7 6 4
◇ —
♣ Q 5 2

EAST
♠ 6 3
♡ Q 8 3
◇ 9 8 6 5 2
♣ K J 10

SOUTH (D)
♠ K J 10 9 8 7
♡ 10
◇ A K Q 3
♣ 7 6

Both sides were vulnerable. The bidding:

South	West	North	East
1 ♠	4 ♡	Pass	Pass
4 ♠	Pass	Pass	Pass

West led the heart king.

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DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA
CROP AND LIVESTOCK REHABILITATION PROJECT

The Government of the Democratic People's Republic of Korea (hereinafter referred to as "the Government") expects to receive a Loan from the International Fund for Agricultural Development towards the implementation of the Crop and Livestock Rehabilitation Project, and it is intended that part of the proceeds of this Loan will be applied to eligible payments under a contract or contracts for the procurement of vehicles.

The Government, through its Agriculture Commission, now invites sealed bids from eligible bidders for the supply of:

Item	Description	Quantities
1	4WD Single Cabin Pick-up	8
2	4WD Station Wagon	2
3	12 Seat Capacity Mini-Bus	2
4	6T LWB Flat Truck	32
5	Dual-Purpose Transit Type Vehicle	2

Bidders may tender for one or any of the complete items mentioned above.

Interested eligible Bidders may obtain further information from, and inspect the bidding documents at the offices of:

The Vice Director General, Livestock Bureau, Agricultural Commission,
Jungsong-Dong, Sungri Street, Central District, Pyongyang, DPR of Korea.
Telephone No (850) 2 [illegible]
Facsimile No (850) 2 [illegible]

and

The Permanent Representation of the DPR of Korea to FAO and IFAD,
Via Tuscolano 27, 00182 Rome, Italy.
Telephone No: (39) 6 [illegible]
Facsimile No: (39) 6 [illegible]

A complete set of the bidding documents may be purchased by any interested eligible Bidder on submission of a written application to the above offices, and upon payment of a non-refundable fee of one hundred United States Dollars (US$100.00).

All bids must be accompanied by a security of 2% of the bid price and must be delivered only to the office of the Vice Director General, Livestock Bureau Agricultural Commission, Pyongyang on or before 12.00 hours on 26 January 1998.

Bids will be opened in the presence of the Bidder's representatives who choose to attend at 12.00 hours at the office of the Vice Director General, Livestock Bureau Agricultural Commission on 26 January 1998.

NYSE

Thursday's 4 P.M. Close

The 2,600 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

GLUMLY, SHE STARED

AT HER REFLECTION IN THE SOUP SPOON AND FELT LONELIER THAN A GOLDFISH.

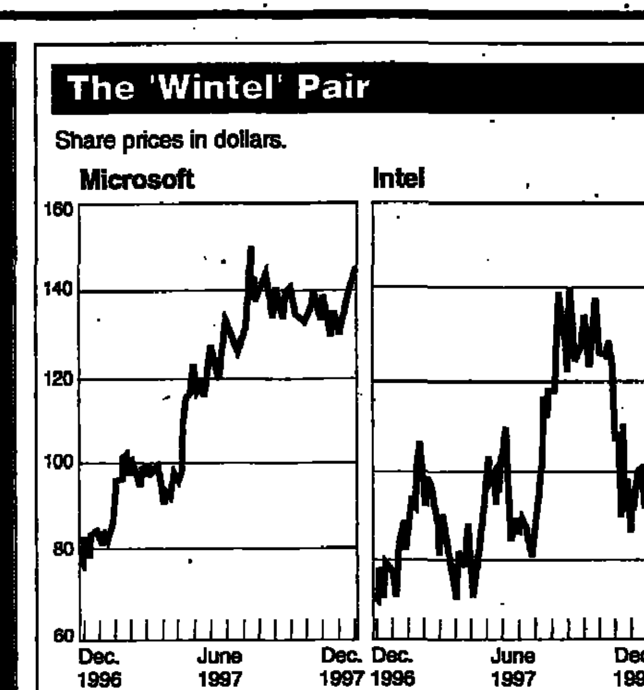
Once again their annual wedding anniversary pilgrimage to Scotland had been cancelled at the last minute. Last year Roger had jetted off to Taiwan on business. Full of apologies and promises that next year would be different. Now it was Singapore. Admittedly he'd brought her along this time. And even taken a suite in the magnificent Raffles Hotel. (After telling her they were headed for the YMCA, the rogue.) But still. For him to be called away like this just as they were sitting down to dinner was just too much. She wished she'd never come. Her sullen thoughts were interrupted by a waiter asking if there was anything wrong with her untouched glass of champagne? She turned and found the fellow grinning at her with the sort of impudent expression her husband often employed. Which was hardly surprising. For indeed it was her husband, squeezed into the sommelier's uniform. The hotel administration had been more than happy to indulge the unusual request when the gentleman approached them earlier in the day. As for the lady, gallantry forbids quotation of the phrase she uttered at this point.

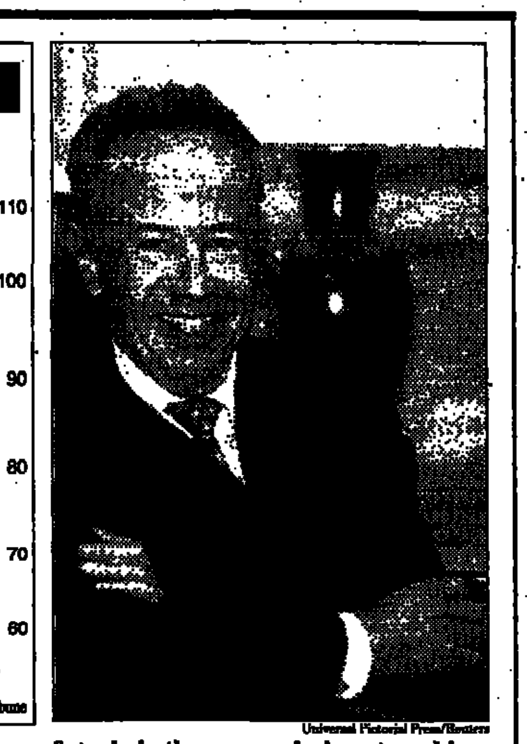
RAFFLES HOTEL SINGAPORE

A RAFFLES INTERNATIONAL HOTEL

Raffles Hotel, 1 Beach Road, Singapore 189673. Tel: (65) 337-1886. Fax: (65) 339-7650. Internet: raffles@pacific.net.sg

Continued on Page 18




Universal Pictorial Press/Reuters

Bill Gates, left, founder of Microsoft, and Andrew Grove, managing director of Intel. There are signs of strain in the companies' partnership.

New Design May Weaken Intel-Microsoft Link

By Elizabeth Corcoran
Washington Post Service

SAN FRANCISCO — Some cracks are beginning to show in the longtime partnership between the high-tech titans Intel Corp. and Microsoft Corp.

Intel, which makes about 85 percent of the computer chips used inside new personal computers, said Wednesday that it was creating a design for a new, low-cost alternative to the PC.

The announcement marks a turnaround for Intel, whose executives were dismissing such machines as a fad a year ago.

Intel will not finish its blueprints until February or March, but the company has made it clear that it will support a range of software operating systems, not just those made by Microsoft.

That signals a potential breach in what is known as the "Wintel" alliance of Microsoft's Windows operating system and Intel's chips.

Over the past decade, the Intel and Microsoft partnership helped make the personal computer the dominant feature of the information age.

Although it has had some fractious moments, that relationship has proven enormously lucrative for both companies.

But the era of a single, dominant device is fading, analysts and technology specialists say. A smorgasbord of devices, ranging from inexpensive handheld machines to "network computers" to digital televisions, is on the horizon. And Intel and Microsoft appear to be headed in different directions in their efforts to exploit these technologies.

For instance, Intel and Microsoft are working on competing designs for set-top boxes that will help televisions carry digital information from the Internet, as well as more familiar programs. And Microsoft is working with a half-dozen chipmakers other than Intel on small, hand-held devices that would use its new operating system, "Windows CE."

Wednesday's announcement shows Intel is willing to work with companies other than Microsoft to make sure its chips are used in a wide variety of corporate computing boxes.

Intel's "lean client," as it calls the new low-cost computer, will very likely resemble the network computers championed by industry leaders such as Larry Ellison, who heads Oracle Corp., and Scott McNealy, who runs Sun Microsystems Inc. All such machines promise to be easier to use and cheaper to maintain than conventional PCs.

That is because they will put simpler, less powerful computing gear on users' desks and connect those boxes to powerful "servers" via electronic networks.

Intel's design has two parts: the "client," the gear used by an individual, and the "server," the powerful computing engine managed by professionals in the back office.

Intel would like to see its chips used at both ends — say, putting conventional Pentium processors in the clients and higher-end Pentium II or Pentium Pro processors in servers.

Although Intel chips are used in low-end servers, higher-end systems "just happens to be a $250 billion marketplace that we don't play in today," said Patrick Gelsinger, vice president and general manager of Intel's business platform group. "We like those numbers."

The Intel blueprints will essentially be a recipe for a family of systems that start at $500 and go up.

Software companies that have been working with Intel on the design include Citrix Systems Inc., International Business Machines Corp., Microsoft, Network Computing Inc., Novell Inc. and Santa Cruz Operation Inc.

Art Olbert, IBM's vice president of

See INTEL, Page 22

Microsoft Workers: Just Your Average Millionaires

By Allan Sloan
Washington Post Service

NEW YORK — When it came to celebrating Thanksgiving in America last month, Microsoft Corp.'s employees were among those with the most to be grateful for. Microsoft employees' paper profits on their stock options are averaging more than $1 million per person, thanks to the stock's 80 percent rise in the past year.

Millionaires aren't exactly rare in high-tech land. But this has to be the first time employees have averaged more than $1 million in option profits at a company the size of Microsoft — which has about 24,000 staff members, about 21,000 of whom have options. And it's not Bill Gates' zillions making the average artificially high. Chairman Bill and his second-in-command, Steven Ballmer, already own so much stock ($38 billion and $8.5 billion, respectively, according to CDA/

WALL STREET WATCH COMMENTARY

Investnet, which tracks insider stockholdings) that giving them options would verge on the obscene. So they are among the optionless.

It's hard to believe that employees in a big company can average $1 million of option profits, but here's the math:

Microsoft had 259 million options outstanding as of Sept. 30. The options give holders the right to buy stock at a fixed price during a fixed period. The company says that option holders' weighted average price was $41.89 a share. So, to figure the paper profits on the options, take Microsoft's stock price (the price on Thanksgiving Day, Nov. 27, of $141.5625 was used for calculation purposes for this article), subtract the $41.89 exercise price and multiply that difference by 259 million.

Voila! Paper profit: $25.8 billion. Divided by Microsoft's 23,811 employees: about $1.1 million each.

Admittedly, the Sept. 30 option numbers had changed by Thanksgiving, and many of the options cannot be exercised for years; and this calculation does not include income taxes on option profits. But the fact that Microsoft is creating so much wealth and spreading it so widely is far more impressive than Mr. Gates's megafortune.

The problem is that even Microsoft's $10 billion or so of cash does not begin to cover its whole obligation to option-holding employees. "Most of our financial liabilities are in the form of our employee stock options," Greg Maffei, Microsoft's chief financial officer, said in an interview.

A motivated work force is Microsoft's major asset — and there's

See RICH, Page 22

Japan Now Admits Economy Is 'Stalled'

Strong Action Is 'Crucial,' IMF Chief Says

Compiled by Our Staff From Dispatches

TOKYO — Japan's economic planning chief finally acknowledged Thursday that the country was no longer enjoying a recovery and said he would downgrade his economic health forecast following gloomy growth data.

"The economy has stalled — in short that's the most appropriate way to describe it," said Koji Omi, the director of the Economic Planning Agency.

The admission came ahead of stern words from Michel Camdessus, International Monetary Fund managing director, that Japan needs to act on its faltering economy. He told Tokyo that it was "crucial" to bring in immediate and decisive measures, in particular to revive the ailing financial sector.

Mr. Camdessus, who came to Tokyo after a signing ceremony in South Korea for an Fund-led financing package for that country, said the Japanese domestic economy could worsen problems in East Asia. South Korea is the latest in a string of countries to receive an international financing guarantee, with a $57 billion plan that includes up to $10 billion from Japan.

He said an economy like Japan's that was growing at around 1 percent this year and around 1 percent "or a little bit more" next year was not in good shape.

"The importance of Japan as the second economic power of the world makes it essential for the world to be sure that everything goes well for the Japanese economy," Mr. Camdessus said. "I am quite confident that the conjunction of government efforts and those of the banking sector will make this crisis a short-lasting one."

Japan's financial system has been hit hard with the collapse of four major financial institutions in the last month, including the failure of its fourth-largest brokerage, Yamaichi Securities Co.

In addition, data released Wednesday showed Japan's economy put in a dismal performance for the first half of the financial year, shrinking 1.4 percent from the previous half.

Mr. Omi said that economic growth of 1 percent would be a difficult goal, but he declined to be more pessimistic.

"It will be difficult to reach growth of 1 percent, but that does not mean it's going to be ultra-close to zero," he said.

Over the past few months, economists have been cutting forecasts for growth in Japan, with many worried that the economy may be teetering on the edge of a recession. Most predict growth of between zero and 1 percent for this business year, although some expect a slight shrinkage.

Although exports remain strong, the domestic economy has been at best flat, hit by a increase in April in the national sales tax to 5 percent from 3 percent.

Mr. Camdessus advised Tokyo to move to the early identification and closure of insolvent institutions, to use public funds to protect depositors and to endorse transparent plans to restructure undercapitalized banks.

Some Western analysts disagreed on the Japanese agency's diagnosis, with some holding a more positive view.

Richard Werner, chief economist at Jardine Fleming Securities, said Mr. Omi's comments were political and should be seen in the light of a battle between economic reformers and reactionaries.

Reformers, including Mr. Omi's agency and the Bank of Japan, want to paint a grim view of the economy to provoke reforms, he said, adding that the more reactionary Ministry of Finance would paint a better picture.

Mr. Werner also said the Economic Planning Agency had revised upward the growth figures for the 1995 and 1996 financial years, which made the current year's figures appear deceptively poor.

"The economy has already turned the corner and is clearly recovering," he said, predicting strong economic growth of about 2 percent this year and as much as 3 percent next year.

But Cameron Umetsu, senior economist at UBS Securities, took a line similar to Mr. Omi's agency, predicting growth for 1997 at just 0.4 percent.

The growth data showed "the true state of the economy," he said, "with a confirmation of what the markets have already discounted." *(Reuters, AFP)*

U.S. Warns Japan on Autos

Bridge News

WASHINGTON — The United States is increasingly concerned that Japan appears to be backsliding on a 1995 deal to import more foreign cars and auto parts, according to an administration report released Thursday.

The report, released jointly by the Office of the U.S. Trade Representative and the Commerce Department, reveals that U.S. car sales to Japan fell 20 percent in the first nine months of this year. This drop occurred even though the U.S. Big Three — Chrysler Corp., Ford Motor Co., and General Motors Corp. — kept prices competitive despite the weak yen, the report said.

Since the 1995 pact, U.S. car companies have opened only 142 new dealerships in Japan, mainly because Japanese dealers are afraid to sour relations with domestic carmakers, the report said. Under the terms of the agreement, U.S. automakers hoped to open 400 new dealerships in Japan by the end of this year.

"Japan needs to make more vigorous efforts to ensure that the market opening goals of the agreement are achieved," Charlene Barshefsky, the U.S. trade representative, said. Ms. Barshefsky and Commerce Secretary William Daley said they would urge Tokyo to do more to end regulations that stymie imports of foreign car parts.

IMF Bailout Could Set a Bad Example

By Louis Uchitelle
New York Times Service

The $57 billion that has been pledged by the international community to South Korea — like the $23 billion for Indonesia and the $17 billion for Thailand before it — will go primarily to lenders who dished out huge sums for risky projects that failed to pay off.

The rescue plan centers on shaky Korean banks. The nation's industrialists, who borrowed billions of dollars for new factories and such, have not made enough profit to repay their debts.

The banks, of course, got their money in part from Korean depositors. Other money came from foreigners — big European, American and Japanese banks, for example — that lent enthusiastically to the Korean banks, in hopes of sharing in the profits.

The bailout money, from the International Monetary Fund, the World Bank and individual countries, will be channeled through the Korean government and its central bank in great measure to the private-banking system. In

NEWS ANALYSIS

some cases, foreign creditors may be paid off directly. Mostly, the money will go to salvage some institutions and to close others while paying off creditors. The bailout will, in effect, repay the depositors and the foreign lenders.

"We keep blaming this crisis on corruption and bad banking practices," said Jeffrey Sachs, a Harvard economist. "But this all happened in the private marketplace. It was so often a case of big foreign lenders pushing their money on the Koreans and the Korean banks enthusiastically taking it in."

The Asian aid packages are prompting many economists and investment bankers to argue anew that bailouts, even when they accomplish their immediate goals, set a bad precedent. By making the lenders whole, they merely encourage more careless lending and fresh crises.

"If we practice bailing out countries whenever they get into trouble," said Richard Cooper, an economist at Harvard University, "then lenders everywhere will come to count on that and they will continue to make loans they should not make."

That view, widely held, is producing numerous proposals for change.

Mr. Cooper suggests that new regulations should be adopted by all countries that would cause the owners of banks — the shareholders — to lose their investments in such situations. That would make lenders more cau-

See RESCUE, Page 22

CURRENCY & INTEREST RATES

Cross Rates

Dec. 4

	$	£	D.M.	F.F.	Lira	D.fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.9953	3.344	1.1269	0.3367	0.115*	—	5.4625*	1.1393	1.5427*	1.402	1.334*
Brussels	35.525	61.38	20.63	6.16	2.1051*	18.305	—	25.52	0.2829	25.71	24.405*
Frankfurt	1.7729	2.9739	—	0.2987	0.102*	0.8873	4.8469*	1.2369	1.3789*	1.2403	1.1828*
London (a)	1.6757	—	2.9665	9.9296	2,908.07	3.3429	61.2283	2.399	216.7072	2.3841	250.8448
Madrid	149.736	251.257	84.501	25.238	8.618*	74.584	4.0959	104.564	115.751*	105.418	—
Milan	1,737.05	2,914.50	980.40	292.73	—	869.80	47.491	1,213.30	13.44	1,222.30	11.592
New York (b)	—	1.6750	1.7706	5.9275	1,738.00	1.9953	36.54	1.432	129.33	1.429	149.74
Paris	5.933	9.9555	3.3492	—	0.3405*	2.9711	0.1623	4.1432	4.5865*	4.177	3.963*
Tokyo	128.95	217.13	72.84	21.77	0.744	64.65	3.5309	90.28	—	90.78	0.8625
Toronto	1.4223	2.3698	0.8026	0.2398	0.0819*	0.7125	0.389*	0.9926	1.0983*	—	0.95*
Zurich	1.4336	2.4037	0.8089	0.2417	0.0825*	0.718	0.3902*	—	1.108*	1.0082	0.9575*
1 ECU	1.1142	0.6652	1.9779	6.6223	1,939.26	2.2289	40.8046	1.5984	144.388	1.5854	167.103
1 SDR	2.4067	0.8086	2.4062	8.0535	2,358.19	2.7403	49.6543	1.9456	174.8011	1.3572	n.q.

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York rates at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	277.93	Mex. peso	8.133	S. Afr. rand	4.8635
Australian $	1.4865	Hong Kong $	7.7367	N. Zealand $	1.6617	S. Kor. won	1170.00
Austrian sch.	12.467	Hung. forint	200.27	Norw. krone	7.1587	Swed. krona	7.7684
Brazil real	1.1101	Indian rupee	38.92	Phil. peso	35.00	Taiwan $	31.87
Chinese yuan	8.3101	Indo. rupiah	3925.00	Polish zloty	3.54	Thai baht	42.35
Czech koruna	35.00	Irish £	0.6824	Port. escudo	180.86	Turkish lira	195890.
Danish krone	6.7439	Israeli shek.	3.5273	Russ ruble	5932.12	UAE dirham	3.671
Egypt. pound	3.4045	Kuw dinar	0.304	Saudi riyal	3.7504	Venez. boliv.	501.75
Fin. markka	5.3505	Malay. ring.	3.7002	Sing. $	1.609		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6758	1.6735	1.6711	Japanese yen	128.76	128.06	127.49
Canadian dollar	1.4275	1.4255	1.4239	Swiss franc	1.4320	1.4315	1.4310
Deutsche mark	1.7685	1.7654	1.7626				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Dec. 4

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5⅞ - 5 15/16	3 9/16 - 3 11/16	1 9/16 - 1⅝	7½ - 7⅝	4 1/16 - 4⅜	1 1/16 - 1 3/16	4⅜ - 4½
3-month	5 15/16 - 5⅞	3 11/16 - 3 13/16	1 9/16 - 1 11/16	7⅝ - 7¾	3 13/16 - 3 15/16	⅞ - 1⅛	4 5/16 - 4½
6-month	5⅞ - 5 15/16	3 13/16 - 3 15/16	1⅝ - 1 11/16	7 13/16 - 7 15/16	3¾ - 3⅞	⅞ - 1⅛	4⅜ - 4⅝
1-year	5¾ - 6	4 - 4⅛	1⅞ - 2	7¾ - 7⅞	3 13/16 - 3 15/16	¾ - 1 1/16	4 7/16 - 4⅝

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds	5 9/16	5½
90-day CDs dealers	5.82	5.82
180-day CP dealers	5.60	5.62
3-month Treasury bill	5.11	5.11
1-year Treasury bill	5.21	5.24
2-year Treasury bill	5.68	5.73
5-year Treasury note	5.76	5.80
7-year Treasury note	5.79	5.81
10-year Treasury note	5.82	5.83
30-year Treasury bond	6.02	6.02
Merrill Lynch 30-day RA	5.10	5.10
Japan		
Discount rate	0.50	0.50
Call money	n.q.	0.40
1-month interbank	1.10	0.90
3-month interbank	0.95	0.90
6-month interbank	0.95	0.90
10-year Gov't bond	1.82	1.88
Germany		
Lombard rate	4.50	4.50
Call money	3.44	3.46
1-month interbank	3.74	3.73
3-month interbank	3.75	3.75
6-month interbank	3.86	3.86
10-year Bund	5.38	5.43

Britain	Close	Prev
Bank base rate	7¼	7¼
Call money	7⅜	7.00
1-month interbank	7½	7 9/16
3-month interbank	7 11/16	7 11/16
6-month interbank	7 13/16	7¾
10-year Gilt	6.45	6.50
France		
Intervention rate	3.30	3.30
Call money	3⅜	3¼
1-month interbank	3 7/16	3⅜
3-month interbank	3 9/16	3½
6-month interbank	3¾	3¾
10-year OAT	5.38	5.42

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	N.A.	289.00	—3.75
London	289.85	289.35	—5.15
New York	288.20	288.50	—6.00

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

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34. Kaplan /Paris ☐

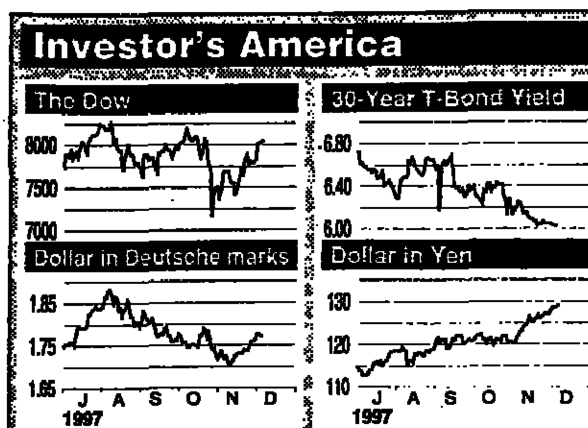
Name:
Home Address:

Job Title: e-mail:

AGE:
☐ Under 25
☐ 25 - 34
☐ 35 - 54
☐ 55 - 64 ☐ 65 or over

SEX:
☐ Male ☐ Female
I am requesting information for:
☐ Myself ☐ A friend
☐ A family member ☐ An employee

Herald INTERNATIONAL Tribune
THE WORLD'S DAILY NEWSPAPER
5-12-97



Exchange	Index	Thursday @ 4 P.M.	Prev. Close	% Change
U.S.	The Dow	8050.16	8032.01	+0.23
U.S.	S&P 500	973.11	977.51	-0.45
U.S.	S&P 100	467.52	468.50	-0.21
U.S.	NYSE Composite	509.44	510.35	-0.18
U.S.	Nasdaq Composite	1613.43	1614.50	-0.07
U.S.	AMEX Composite	665.81	669.00	-0.48
Toronto	TSE Index	6670.06	6679.10	-0.13
São Paulo	Bovespa	10046.34	9991.72	+0.55
Mexico City	Bolsa	5186.47	5124.18	+1.22
Buenos Aires	Merval	709.09	703.43	+0.80
Santiago	IPSA General	4977.59	4950.22	+0.55
Caracas	Capital General	8636.17	8453.98	+2.18

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

• **Dell Computer Corp.**'s founder and chief executive, Michael Dell, plans to sell 300,000 shares in the computer company, valued at about $25.5 million, according to documents filed with the Securities and Exchange Commission.

• **Wells Fargo & Co.** would consider a buyout, the bank's chairman and chief executive, Paul Hazen, said, arguing that the high prices banks were commanding in buyouts made a sale something the company would have to consider.

• **Chrysler Corp.** named Thomas Stallkamp, who has been its head of procurement, as its new president.

• **Starwood Lodging Trust** said its $13.7 billion acquisition of **ITT Corp.** had been cleared by antitrust regulators at the Federal Trade Commission and the Justice Department.

• **SouthTrust Corp.** agreed to buy 27 branches from **H.F. Ahmanson & Co.**'s Home Savings of America unit for $300 million as SouthTrust expands in Florida.

• **WorldCom Inc.** said it was talking to **British Telecommunications PLC** and other phone companies as part of a shift in its international strategy to use other companies' networks as well as building its own. *Reuters, Bloomberg, AP*

Approach of Jobs Report Trims a Rally

Compiled by Our Staff From Dispatches

NEW YORK — Stock prices rose Thursday but closed below their highs for the day as the U.S. jobs report, due Friday, overshadowed optimism that corporate profits will withstand Asia's economic crisis.

"We have a sigh of relief that the Asia situation may have stabilized," said David Bayer, a money manager with American Express Financial Advisors.

"While we're seeing disappointments, this is not a disaster. The comfort level is increasing."

Stock prices also received a

U.S. STOCKS

boost from encouraging developments in the inflation and interest-rate areas.

The Dow Jones industrial average, which was up more than 81 at one point during the day, ended 18.15 points higher at 8,050.16 after rallies in South Korea and Hong Kong. The Standard & Poor's 500-stock index fell 3.67 points to 973.10. The Nasdaq composite index declined 1.71 to 1,613.42, despite a rally in financial and telecommunications stocks.

Bond prices fell as traders and investors braced for the report Friday on U.S. jobs and wages in November.

Separately, a drop in weekly U.S. jobless claims in the latest week confirmed tightness in labor markets and could signal a steady or lower November unemployment rate, some economists said. Initial claims for unemployment benefits fell 3,000, to 303,000, last week.

The benchmark 30-year Treasury bond fell 14/32 to 101 3/32, pushing its yield up to 6.04 percent from 6.02 percent.

After the unemployment report, "we could go through 6 percent and stay through without too much trouble — but we could also find ourselves back at 6.10 percent," said David Berry of Lincoln National Corp. in Fort Wayne, Indiana. The bond market briefly pushed prices high enough to pull the yield on the 30-year Treasury as low as 5.99 percent, the lowest since Jan. 13, 1996.

Investors were heartened by a report showing that America's work force registered the best productivity gain in nearly five years during the third quarter. Improving productivity has helped push inflation to a three-decade low by enabling employers to raise wages without raising prices.

Nonfarm business productivity — output per hour worked — grew at a seasonally adjusted annual rate of 4.1 percent in the third quarter, the Labor Department said. That was revised downward from an estimate of 4.5 percent last month. Still, it was the largest gain since the final three months of 1992.

Separately, retailers reported mediocre sales for November, with discounters faring the best and department and specialty stores struggling through the month.

But Best Buy rose 4¼ to 36¼ after the Minneapolis-based electronics retailer reported a smaller-than-expected drop in third-quarter sales at stores open at least a year.

Best Buy also issued a profit estimate for the quarter, which ended Sunday, that exceeded analyst forecasts.

Wells Fargo jumped 15 13/16 to 332 1/16 to after the company's chairman said he would consider a buyout offer for the bank. Wells Fargo has a market value of $29.9 billion.

Merck rose 6⅝ to 104⅝ a day after it said it was working on a drug to treat depression that could rival Eli Lilly's Prozac.

Computer stocks fell after 3Com warned that second-quarter earnings would trail expectations. *(Bloomberg, AP)*

Slump in Japan Fuels Dollar Gains

Bloomberg News

NEW YORK — The dollar was mixed against other major currencies Thursday, but it rose to its strongest level against the yen since May 1992 after a report showing sluggish economic growth in Japan prompted a decline in Japanese stocks.

The benchmark Nikkei 225 stock index tumbled 1.7 percent after a report showed that Japan's economy grew at a slower-than-expected rate in the third quarter, fresh evidence that it was still struggling to emerge from a six-year slump.

"Nothing seems to be improving in Japan," said Tom Arnold, a trader at Dai-Ichi Kangyo Bank. "It stands to reason that the currency is going to weaken."

The dollar rose to 129.330 yen in 4 P.M. trading from 128.725 yen Wednesday. But the U.S. currency edged down to 1.7706 Deutsche marks from 1.7715 DM.

Against other European currencies, the dollar was quoted at 1.4320 Swiss francs, up from

FOREIGN EXCHANGE

1.4310 francs, but at 5.9275 French francs, down from 5.9975 francs. The pound was at $1.6675, down from $1.6840.

Japan's gross domestic product rose 0.8 percent in the quarter ended Sept. 30, suggesting that an April 1 tax increase continued to sap domestic spending while economic malaise in Asia crimped demand for Japanese exports to the region. Those forces are keeping many investors wary of holding yen-denominated assets, analysts said.

The dollar could rise to 135 yen by early 1998, said Thomas Benfer, director of foreign exchange at Bank of Montreal.

The dollar was little changed against the mark amid concern that German officials might sell dollars if the U.S. currency rose too far too fast. "If we get over 1.80 marks again, they'll start to talk," a trader said. Traders now are looking to a U.S. employment report due Friday for signs on whether the U.S. economy is expanding rapidly enough to prompt the Federal Reserve Board to raise interest rates soon.

Disney Chairman Cashes in Options For $565 Million

Los Angeles Times Service

LOS ANGELES — In the single biggest payday for an executive in history, Michael Eisner, chairman of Walt Disney Co., has collected about $565 million by exercising stock options that he had accumulated as head of the entertainment giant.

Mr. Eisner exercised options Wednesday for 7.3 million shares of stock that he has been accumulating since they were awarded him in contract negotiations in January, 1989. The huge value reflects in part a Disney stock that has soared lately.

Mr. Eisner's pretax payout is his second gigantic one within five years. In 1992, he reaped $202 million, nearly all from options he exercised. That action triggered intense debate over lucrative stock option packages for executives. Some experts say this is likely to happen again.

Graef Crystal, the executive compensation specialist who designed the contract, estimated that Mr. Eisner has earned close to $1 billion since he has arrived at Disney, putting him for now a shade behind Roberto Goizueta, the late chairman of Coca-Cola Co., in money earned by an executive. But Mr. Eisner still has about 8.7 million shares worth of options that he cannot exercise yet.

His net worth still trails that of a number of executives who own large chunks of the companies they run. Forbes magazine recently estimated that Bill Gates, chairman of Microsoft Corp., is worth $39.8 billion.

Lazard Settles a Fraud Case

New York Times Service

NEW YORK — Lazard Freres & Co. has agreed to pay $12 million to settle civil charges related to alleged fraud committed by two former executives involved in municipal-securities offerings.

The decision Wednesday marked the second time in the past two years that Lazard, a prominent Wall Street investment firm, had settled litigation arising from municipal-bond wrongdoing that took place in the early 1990s.

Lazard no longer does any municipal-bond business.

The two former executives, Richard Poirier and James Eaton, were charged with conspiracy and fraud for secretly paying an executive at Stephens Inc., a brokerage based in Little Rock, Arkansas, to steer municipal-bond business in Georgia to Lazard in 1992.

Federal investigators said the agreement and payments defrauded the Fulton County government, which believed that a Stephens vice president, Michael DeVegter, had been acting as an independent financial consultant when he recommended Lazard as a manager of a municipal-bond offering.

NYSE Seeks to Alter Trading Halts

The Associated Press

NEW YORK — The New York Stock Exchange decided Thursday to make some changes in rules that stop trading in U.S. stock markets when prices plunge but skipped a plan to make it more difficult to trigger the so-called circuit-breakers.

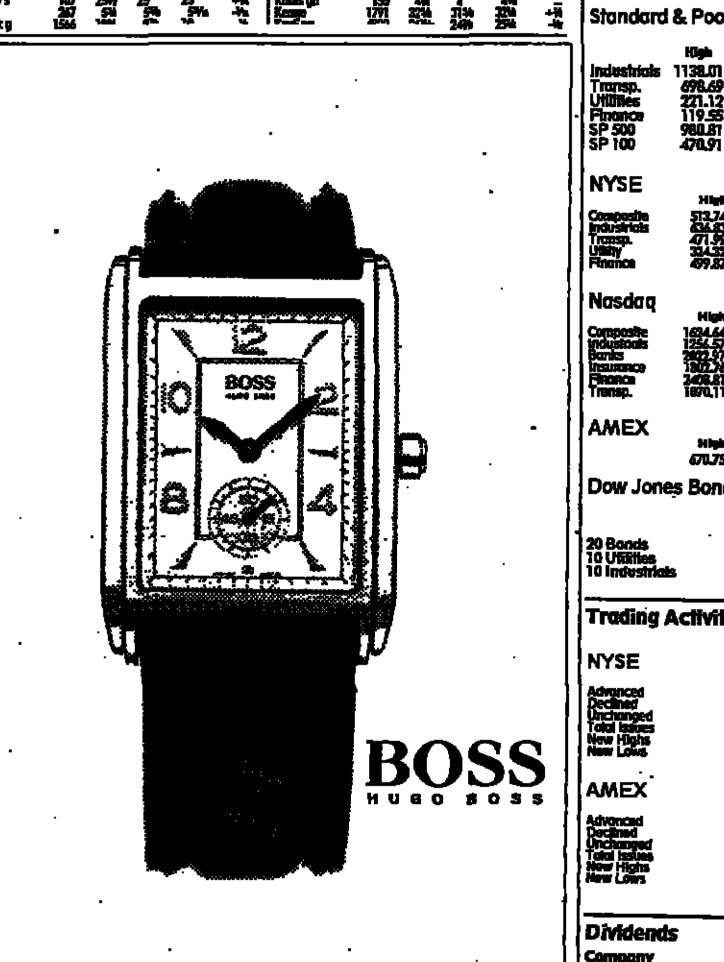
The change, which requires regulatory approval, would keep the point-drop triggers in place but call for shorter trading halts after 2 P.M. Eastern time and close trading entirely when there is a sharp drop after 3 P.M. Currently, trading is suspended for half an hour if the Dow Jones industrial average drops 350 points and for one hour if the index loses 550 points. Those provisions were triggered in the market's 7.2 percent plunge Oct. 27.

AMEX

Thursday's 4 P.M. Close

The 300 most traded stocks of the day, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
AMC	242	22¾	22	22¾	—
ARC	782	5⅝	5½	5⅝	+⅛
ARM Fn n	464	20⅜	20⅛	20⅜	-⅛
AdvMag	414	9⅝	9½	9⅝	+⅛
AegisRE n	798	11¾	11⅛	11⅝	+⅝
Aerosn	104	12	11¾	11⅞	-⅛
AirWat	422	1⅜	1⅜	1⅜	+⅛
Allougen	252	17⅝	17⅛	17⅝	-⅛
Alfin	240	⅝	½	⅝	+⅛
Alphain	750	17⅛	16	17	+⅛
AltDlag	116	25⅜	24⅝	25	-⅛
AmerPog	382	2⅛	2	2	+⅛
ASdE	105	12	11¾	11¾	-⅛
Ampex	2947	2⅞	2⅝	2¾	—
Andec	444	1⅛	1	1	
AndreaE s	749	19¼	19	19¼	-⅛
ApexSilv n	553	11⅛	11	11	—
Apogee	134	2	1⅞	1⅞	-⅛
AppleOil n	207	11⅝	11¼	11¼	-⅛
ArmorH	439	11	10⅜	10⅞	+⅛
Adrefn	122	1⅜	1⅛	1⅛	-⅛
AtlDrug s	981	17¼	17⅛	17¼	-⅛
Audvox	459	8⅛	8⅛	8⅛	-⅛
AuraSl	236	1⅛	1	1⅛	+⅛
Autotote	765	2½	2⅛	2½	+⅛
Atco	1741	1⅛	1	1	+⅛
BAT Ind	277	18⅛	18⅛	18⅛	—
Baker	126	10¼	9⅞	9⅞	-⅛
Balldy s	363	18	16⅞	18	+1⅛
BanFd	120	25	24½	24⅝	-⅛
BarrLab s	123	36⅛	35⅝	36⅛	+⅝
BayardD s	6155	20	18½	18½	+⅝
Bayou	136	3⅞	3⅝	3⅞	-⅛
BemaGold	4382	1⅞	1⅝	1⅝	-⅛
BenPb	98	2⅞	2⅞	2⅞	-⅛
BioR A	184	25⅞	25⅝	25⅞	+⅛
BlscApp	122	⅝	⅝	⅝	—
BogerC	235	7	6⅞	6⅞	-⅛
Bogen wt	489	1⅝	1½	1⅝	+⅛
Bowar	229	2⅝	2⅞	2⅞	—
Bowne	198	40	39⅝	39⅞	+⅛
BradyW s	107	25⅛	25	25	+⅛
BullDg	247	5⅞	5⅝	5⅝	-⅛
CE Frnk g	1566	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]



U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	8069.31	8113.82	8023.80	8049.42	+17.41
Trans	3294.98	3324.06	3283.78	3305.44	+15.80
Util	258.48	259.27	257.52	258.26	-0.19
Comp	2621.44	2635.56	2611.41	2628.17	+4.36

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	1138.01	1119.77	1133.35	1126.16
Transp.	698.69	688.95	697.58	696.02
Utilities	221.12	219.02	219.79	219.31
Finance	119.55	118.10	119.03	119.56
SP 500	980.81	966.16	976.77	973.55
SP 100	470.91	462.85	468.20	467.70

NYSE

	High	Low	Last	Chg.
Composite	513.74	508.71	509.43	-0.72
Industrials	636.83	630.15	631.20	-1.66
Transp.	471.59	468.48	469.26	-0.22
Utility	324.32	320.96	321.38	-2.38
Finance	499.87	492.92	495.57	+2.61

Nasdaq

	High	Low	Last	Chg.
Composite	1624.64	1610.68	1613.43	-1.70
Industrials	1254.57	1249.27	1250.21	-1.05
Banks	2022.97	2013.92	2022.92	+14.21
Insurance	1802.76	1789.02	1795.56	+5.59
Finance	2408.81	2389.40	2406.32	+22.23
Transp.	1070.11	1060.14	1063.39	+0.98

AMEX

High	Low	Last	Chg.
670.75	665.29	665.80	-3.30

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	104.52	105.00
10 Utilities	102.45	102.73
10 Industrials	106.58	107.26

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Compaq s	120380	66⅞	62⅝	63⅝	-1½
Merck	96681	105	102½	104⅝	+6⅝
Texinst s	81626	46⅝	44	44⅛	-2½
Cabltrn	76477	15⅛	14⅝	14⅝	-⅛
TexUtil	62889	40	39⅝	40	+⅛
Lucent	60938	80	76	79⅜	+⅞
ChesEng s	55474	8⅛	7	8⅛	+1⅛
TelBrasil	51629	114⅝	112¼	113½	+1⅛
WDigital s	50022	19⅝	17⅞	17⅞	-1⅛
Citicorp	44887	138	129⅝	135¼	+6
PhilMor s	43534	45⅛	44⅛	44⅜	-⅞
Travelrs s	42981	57⅛	56	56⅛	-⅛
NationsBk s	41971	63¼	60⅝	61	-⅛
Boeing s	39176	53¼	51⅞	52⅛	-1⅛
GenElec s	38993	73⅝	72⅛	72⅝	-⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel s	204999	79⅛	76	76⅞	-1⅝
Ascend	174812	28¼	22⅝	26⅛	+3¼
DellCptr s	111482	93	89⅝	91⅝	-⅛
SunMic s	105793	41⅝	40⅛	40⅝	+⅝
Adaptec	97586	41½	37¼	39¼	-1⅝
3Com	93306	35⅝	33⅛	33⅛	-1⅝
Microsft s	77924	145⅞	142¼	142⅝	-2¼
Quantum s	73367	24⅛	23⅛	23⅛	-½
AppldMat s	70190	33⅝	32⅝	33⅛	+⅛
Oracle s	69423	31⅛	30⅝	30⅝	—
Cisco	67717	87½	85⅝	86¼	-⅞
VLSI	61169	22⅛	19½	21⅝	+2⅛
RainSft	55794	11⅝	10	11⅝	+1⅝
TSAT A n	52061	7⅛	6⅛	7⅛	+⅛
SyQuTc	49955	3⅛	2⅝	3⅜	+⅜

AMEX

	Vol.	High	Low	Last	Chg.
RoyalO g	49944	1⅛	⅝	1⅛	-⅛
TWA	30604	10⅝	8⅝	9⅝	+1⅛
SPDR	28802	98⅞	97⅛	97⅝	-½
VistaG g	21675	⅞	¾	¾	—
JTS Corp	18143	⅜	¼	⅜	-⅛
GreyWolf	14914	6⅝	6	6⅛	-⅛
EchoBay	11181	2⅝	2⅛	2⅜	-⅛
XCL Ltd	10188	⅜	⅜	⅜	-⅛
ElPasoE	10106	6⅝	6⅝	6⅝	+⅛
TubMex	9388	22¼	21½	21½	-⅝

Trading Activity

NYSE

	Close	Prev.
Advanced	1582	1689
Declined	1357	1274
Unchanged	524	519
Total issues	3463	3482
New Highs	252	216
New Lows	51	47

Nasdaq

	Noon	Prev.
Advanced	1967	1989
Declined	1722	2282
Unchanged	1868	1585
Total issues	5557	5756
New Highs	134	158
New Lows	135	194

AMEX

	Close	Prev.
Advanced	289	296
Declined	277	302
Unchanged	173	168
Total issues	739	766
New Highs	38	27
New Lows	14	19

Market Sales

	Today 4:00	Prev. cons.
NYSE	618.66	754.20
Amex	31.04	33.89
Nasdaq	623.61	717.89

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
CCA Prison Realty	-	.425	12-31	1-15
Telefon ArgentB	-	.575	12-11	—
STOCK SPLIT				
Consol Pdcts 5 for 4 split.				
Cotton St Lfins 3 for 2 split.				
Univision Common 2 for 1 split.				
STOCK				
Medical Assu	-	5%	1-6	2-6
INITIAL				
Florida Rock Ind n	-	.125	12-16	1-2
SPECIAL				
High Inco Adv	-	.0433	12-5	12-19
High Inc AdvTrII	-	.1067	12-5	12-19
High Inc AdvTrIII	-	.0388	12-5	12-19
REGULAR				
Aaron Rents	S	.02	12-5	1-2
Amerada Hess	Q	.15	12-15	1-5
Ballard Med Pdcts	S	.05	12-16	1-5
Berkshire Gas	Q	.285	12-31	1-15
Brooke Group	Q	.075	12-12	12-16
Cotton St Lf Insur	Q	.05	12-15	1-2
EastGroup Prop	Q	.34	12-15	12-30
Equitable Cos	Q	.05	12-8	12-26
Fst Unio	Q	.11	1-5	2-2
Georgia Gulf	Q	.08	12-19	1-9
Hancock PatP	M	.0962	12-8	12-30
Hancock PatPr	M	.0503	12-12	12-30
Hancock Pat	M	.1031	12-8	12-30
Heritage US Gv	M	.077	12-12	12-22
Joachim Bancorp	Q	.125	12-15	12-31
John Hancock I	-	.30	12-23	12-30
John Hancock Inv	-	.3975	12-23	12-30
LTC Props	Q	.365	12-15	12-31
Marsh Superm	Q	.11	1-15	2-2
Meridian InsurGrp	Q	.08	12-18	1-2
Mutual SvgsLifins	Q	.25	12-19	12-3
Oppenh Multi-S	M	.07	12-12	12-26
Oppenh Worl	M	.056	12-12	12-26
Pep Boys Ma	Q	.06	1-12	1-26
Suffolk Bancorp	Q	.18	12-15	1-2
Starrett LS	Q	.19	12-16	1-2
Zeigler CoalHldg	Q	.075	12-16	1-5

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semiannually.

U.S. Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99. cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y - ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Dec. 4, 1997

Grains

	High	Low	Latest	Chge	OpInt
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Dec 97	271¼	267½	267¾	-3½	29,456
Mar 98	281½	276¼	277	-3¼	184,160
May 98	288	284	284¼	-3	42,023
Jul 98	292	288	288¼	-3	53,012
Sep 98	287	283¼	283¾	-3¼	5,234
Dec 98	287½	283	283½	-3¼	31,384
Jul 99	297	295	296½	-2½	269
Est. sales 76,000 Wed's sales 60,160					
Wed's open int 347,151, off 2,214					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Dec 97	231.90	228.70	229.80	-1.10	12,049
Jan 98	223.70	220.00	220.40	-1.80	30,190
Mar 98	218.50	214.00	214.30	-2.50	34,173
May 98	215.50	211.50	212.00	-2.20	20,984
Jul 98	215.30	211.80	211.90	-2.50	14,690
Aug 98	214.80	211.30	211.30	-3.20	3,350
Est. sales 22,000 Wed's sales 25,541					
Wed's open int 122,167, off 1,930					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Dec 97	25.02	24.45	24.47	-0.50	4,961
Jan 98	25.30	24.67	24.71	-0.59	47,544
Mar 98	25.55	25.02	25.07	-0.56	34,095
May 98	25.70	25.25	25.30	-0.50	13,466
Jul 98	25.83	25.40	25.43	-0.47	11,291
Aug 98	25.80	25.35	25.38	-0.41	2,110
Est. sales 38,000 Wed's sales 26,971					
Wed's open int 115,487, up 758					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Jan 98	707½	693	694	-12¾	64,315
Mar 98	711¼	697	697½	-13¼	28,599
May 98	716	702½	703	-12	21,141
Jul 98	718½	705	705½	-12	22,523
Aug 98	711	700	700½	-11	1,794
Est. sales 54,000 Wed's sales 48,228					
Wed's open int 149,394, up 517					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Dec 97	341	338¼	340¼	+1½	2,835
Mar 98	357½	355	356½	+1	54,081
May 98	365½	363	364¼	+1¼	11,094
Jul 98	369	367	368¼	+½	17,890
Est. sales 16,000 Wed's sales 19,685					
Wed's open int 89,752, up 1,135					

Livestock

	High	Low	Latest	Chge	OpInt
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Dec 97	67.50	66.77	67.45	+0.62	15,578
Feb 98	68.35	67.32	68.17	+0.87	48,350
Apr 98	71.57	70.85	71.52	+0.57	21,833
Jun 98	70.10	69.50	70.00	+0.45	13,070
Aug 98	70.70	70.07	70.62	+0.50	5,148
Oct 98	72.75	72.40	72.45	+0.10	1,310
Est. sales 18,699 Wed's sales 18,114					
Wed's open int 105,399, up 2,190					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Jan 98	80.52	79.10	80.32	+1.10	8,539
Mar 98	80.45	79.20	80.15	+0.82	3,619
Apr 98	80.85	79.80	80.60	+0.82	1,423
May 98	81.40	80.50	81.15	+0.67	1,246
Aug 98	82.90	82.25	82.80	+0.65	621
Sep 98	82.75	82.00	82.75	+0.80	133
Est. sales 4,293 Wed's sales 1,886					
Wed's open int 15,623, up 137					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Dec 97	63.15	62.45	62.97	+0.52	8,472
Feb 98	60.80	60.25	60.62	+0.52	18,809
Apr 98	57.70	57.40	57.45	+0.22	7,509
Jun 98	65.62	65.35	65.35	+0.05	4,038
Jul 98	64.50	64.30	64.32	+0.12	1,302
Est. sales 6,961 Wed's sales 6,746					
Wed's open int 40,967, up 266					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 98	59.25	58.45	58.85	+0.67	6,577
Mar 98	58.30	57.50	57.40	+0.55	1,098
May 98	58.95	58.30	58.87	+0.75	857
Est. sales 2,451 Wed's sales 2,110					
Wed's open int 9,012, up 153					

Food

	High	Low	Latest	Chge	OpInt
COCOA (NCSE) 10 metric tons- $ per ton					
Dec 97	1560	1548	1548	-10	319
Mar 98	1585	1571	1578	-10	49,108
May 98	1614	1600	1607	-10	18,734
Jul 98	1635	1623	1627	-10	4,452
Sep 98	1650	1642	1646	-12	5,795
Dec 98	1674	1663	1667	-9	9,155
Est. sales 3,393 Wed's sales 2,976					
Wed's open int 99,008, off 115					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Dec 97	173.00	171.00	175.00	+1.00	975
Mar 98	170.55	163.75	169.80	+2.50	15,301
May 98	162.00	157.00	161.45	+1.20	5,208
Jul 98	154.00	150.50	152.50	+0.60	2,504
Sep 98	147.00	140.65	146.50	-0.05	1,191
Est. sales 8,153 Wed's sales 8,464					
Wed's open int 26,265, up 610					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 98	12.42	12.31	12.38	unch.	113,041
May 98	12.33	12.25	12.30	unch.	32,128
Jul 98	12.03	11.94	11.98	+0.01	27,050
Oct 98	11.78	11.73	11.75	unch.	23,984
Est. sales 14,540 Wed's sales 12,665					
Wed's open int 204,294, up 3,440					

	High	Low	Latest	Chge	OpInt
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Jan 98	83.00	80.50	82.75	+1.35	22,122
Mar 98	86.10	83.65	85.95	+1.50	15,247
May 98	89.05	86.85	89.05	+1.60	2,467
Jul 98	92.00	91.10	92.00	+1.85	1,872
Est. sales N.A. Wed's sales 1,798					
Wed's open int 45,234, up 365					

Metals

	High	Low	Latest	Chge	OpInt
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Dec 97	292.50	286.00	286.50	-6.10	1,950
Jan 98			287.30	-6.10	6
Feb 98	294.50	288.20	288.50	-6.00	111,680
Apr 98	296.10	290.00	290.30	-6.00	11,415
Jun 98	298.00	292.00	292.40	-6.00	12,535
Aug 98	298.00	294.50	294.50	-6.00	4,558
Oct 98			296.60	-6.00	2,044
Dec 98	302.80	298.40	298.90	-6.00	13,781
Feb 99			301.00	-6.00	3,667
Est. sales N.A. Wed's sales 32,680					
Wed's open int 198,172, up 3,632					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Dec 97	81.30	80.30	80.90	+0.60	2,673
Jan 98	81.80	80.85	81.60	+0.75	2,468
Feb 98	82.40	82.20	82.25	+0.80	1,761
Mar 98	82.90	81.70	82.55	+0.70	32,336
Apr 98	83.10	83.05	83.05	+0.70	1,410
May 98	83.70	82.20	83.30	+0.55	4,690
Jun 98	83.80	83.60	83.60	+0.55	1,525
Jul 98	84.10	83.70	83.90	+0.55	2,530
Aug 98	84.30	84.00	84.00	+0.55	1,209
Est. sales N.A. Wed's sales 8,017					
Wed's open int 63,984, up 113					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Dec 97	525.00	521.00	524.00	-1.40	1,475
Jan 98			525.90	-1.80	36
Feb 98			528.20	-1.80	
Mar 98	534.00	527.50	530.50	-1.80	64,508
May 98	536.00	532.00	533.50	-1.80	5,735
Jul 98	536.00	534.00	535.50	-1.80	5,364
Sep 98	540.00	537.20	537.20	-1.80	802
Dec 98	540.50	539.00	539.00	-1.80	5,605
Est. sales N.A. Wed's sales 15,144					
Wed's open int 88,724, off 519					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jan 98	385.50	379.00	381.00	-4.70	10,365
Apr 98	379.80	376.00	377.50	-4.70	2,529
Jul 98	382.00	374.50	374.50	-4.70	104
Est. sales N.A. Wed's sales 1,443					
Wed's open int 12,998, up 139					

LONDON METALS (LME) Dollars per metric ton		Close		Previous
Aluminum (High Grade)				
Spot	1559½	1560½	1561.00	1562.00
Forward	1582.00	1583.00	1584.00	1585.00
Copper Cathodes (High Grade)				
Spot	1788.00	1789.00	1776½	1777½
Forward	1818.00	1819.00	1808½	1809½
Lead				
Spot	533½	534½	517.00	518.00
Forward	550.00	551.00	534.00	535.00
Nickel				
Spot	6075.00	6085.00	5860.00	5865.00
Forward	6165.00	6175.00	5955.00	5960.00
Tin				
Spot	5840.00	5850.00	5720.00	5730.00
Forward	5720.00	5730.00	5640.00	5645.00
Zinc (Special High Grade)				
Spot	1111½	1112½	1084½	1085½
Forward	1135.00	1136.00	1110.00	1111.00

Financial

	High	Low	Close	Chge	Opint
US T BILLS (CMER) $1 million- pts of 100 pct.					
Dec 97	94.96	94.94	94.94	unch.	5,362
Mar 98	95.08	95.07	95.07	unch.	6,368
Jun 98	95.08	95.06	95.06	+0.03	899
Sep 98			95.05	+0.06	23
Est. sales 1,371 Wed's sales 1,391					
Wed's open int 12,652, off 345					
5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Dec 97	109-32	108-15	108-18	+ 03	88,498
Est. sales 54,500 Wed's sales 81,560					
Wed's open int 253,852, off 5,944					
10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Dec 97	112-04	111-26	111-27	+ 01	138,788
Mar 98	111-28	111-17	111-18	unch.	256,242
Jun 98	111-18	111-15	111-15	unch.	323
Est. sales 90,900 Wed's sales 102,521					
Wed's open int 395,353, off 6,329					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Dec 97	120-00	119-11	119-12	- 04	160,021
Mar 98	119-26	119-04	119-05	- 05	515,841
Jun 98	119-11	118-27	118-27	- 05	15,404
Sep 98	119-00	118-19	118-19	- 04	2,703
Est. sales 375,000 Wed's sales 247,068					
Wed's open int 699,180, up 5,232					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Dec 97	119-17	119-04	119-14	+0-09	46,457
Mar 98	120-06	119-21	120-01	+0-09	155,075
Jun 98	104-12	104-12	104-11	+0-07	998
Est. sales: 60,006. Prev. sales: 82,112					
Prev. open int.: 202,530 off 2,318					
GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct					
Dec 97	104.50	104.10	104.43	+0.21	
Mar 98	103.86	103.43	103.79	+0.27	189,379
Jun 98	N.T.	N.T.	103.15	+0.33	48
Est. sales: 256,819. Prev. sales: 299,597					
Prev. open int.: 279,875 up 5,260					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Dec 97	100.84	100.44	100.84	+ 0.20	89,885
Mar 98	100.38	99.98	100.36	+ 0.20	47,458
Jun 98	99.50	99.50	99.78	+ 0.30	12
Est. sales: 158,474.					
Open int.: 137,555 up 509.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Mar 98	114.95	114.37	114.92	+0.45	110,373
Jun 98	114.50	114.46	114.47	Unch.	0
Est. sales: 35,989. Prev. sales: 65,085					
Prev. open int.: 128,774 up 4,823					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.					
Dec 97	94.02	94.00	94.01	unch.	21,065
Jan 98	94.27	94.24	94.26	unch.	10,308
Feb 98	94.25	94.22	94.24	unch.	4,483
Est. sales 5,336 Wed's sales 6,093					
Wed's open int 40,573, up 1,054					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Dec 97	94.10	94.07	94.09	unch.	403,407
Feb 98	94.19	94.16	94.17	unch.	2,010
Mar 98	94.19	94.15	94.16	unch.	456,490
Jun 98	94.18	94.13	94.15	+0.01	368,627
Sep 98	94.14	94.08	94.11	+0.02	269,899
Dec 98	94.05	94.00	94.02	+0.03	213,428
Mar 99	94.05	93.99	94.02	+0.03	160,536
Jun 99	94.01	93.96	93.98	+0.03	133,231
Sep 99	93.98	93.89	93.95	+0.03	99,052
Dec 99	93.92	93.87	93.89	+0.03	94,064
Mar 00	93.94	93.89	93.91	+0.03	72,324
Jun 00	93.92	93.87	93.89	+0.03	59,938
Est. sales 369,087 Wed's sales 349,275					
Wed's open int 2,788,036, up 2,686					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Dec 97	1.6846	1.6622	1.6658	-.0164	52,130
Mar 98	1.6764	1.6540	1.6586	-.0162	4,402
Jun 98	1.6600	1.6600	1.6510	-.0162	1,253
Est. sales 12,597 Wed's sales 6,161					
Wed's open int 57,786, up 117					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Dec 97	.7055	.7029	.7037	-0.0018	58,136
Mar 98	.7082	.7057	.7065	-0.0019	15,015
Jun 98	.7096	.7085	.7088	-0.0019	1,702
Est. sales 17,212 Wed's sales 12,794					
Wed's open int 73,831, off 7					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Dec 97	.5658	.5637	.5646	-0.0004	66,641
Mar 98	.5690	.5670	.5676	-0.0004	10,934
Jun 98	.5703	.5701	.5703	-0.0004	4,111
Est. sales 16,469 Wed's sales 19,569					
Wed's open int 81,795, off 1,257					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Dec 97	.7785	.7713	.7736	-0.0045	128,949
Mar 98	.7890	.7825	.7847	-0.0048	10,042
Jun 98	.7955	.7955	.7958	-0.0049	1,589
Est. sales 28,050 Wed's sales 12,438					
Wed's open int 140,598, off 2,868					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Dec 97	.7009	.6972	.6989	-0.0016	41,407
Mar 98	.7089	.7048	.7060	-0.0016	8,439
Jun 98			.7130	-0.0017	1,293
Est. sales 10,263 Wed's sales 14,689					
Wed's open int 51,250, off 1,305					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Dec 97	.12320	.12250	.12275	+.00213	14,028
Mar 98	.11905	.11860	.11862	+.00284	11,110
Jun 98	.11515	.11480	.11480	+.00284	2,961
Est. sales 7,138 Wed's sales 8,381					
Wed's open int 32,470, up 96					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Dec 97	92.34	92.27	92.32	+0.04	156,301
Mar 98	92.31	92.23	92.29	+0.07	124,201
Jun 98	92.37	92.26	92.35	+0.09	107,959
Sep 98	92.47	92.37	92.45	+0.09	82,394
Dec 98	92.64	92.54	92.62	+0.08	74,420
Mar 99	92.82	92.74	92.82	+0.08	63,120
Jun 99	92.99	92.91	92.99	+0.08	34,892
Est. sales: 89,401. Prev. sales: 55,438					
Prev. open int.: 801,500 up 1,274					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Dec 97	96.22	96.19	96.22	+0.02	276,213
Jan 98	96.23	96.21	96.23	+0.02	11,496
Feb 98	N.T.	N.T.	96.14	+0.02	750
Mar 98	96.08	96.05	96.08	+0.02	332,561
Jun 98	95.88	95.82	95.88	+0.03	298,643
Sep 98	95.71	95.63	95.71	+0.04	219,273
Dec 98	95.51	95.43	95.50	+0.04	192,705
Mar 99	95.34	95.27	95.33	+0.03	211,567
Jun 99	95.17	95.12	95.17	+0.03	101,778
Sep 99	95.03	94.98	95.03	+0.03	87,029
Est. sales: 174,895. Prev. sales: 181,046					
Prev. open int.: 1,902,758 up 15,914					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Dec 97	96.31	96.27	96.29	+ 0.01	48,266
Jan 98	96.22	96.21	96.22	Unch.	152
Feb 98	96.15	96.15	96.15	Unch.	5
Mar 98	96.09	96.05	96.08	+ 0.02	66,187
Jun 98	95.87	95.82	95.86	+ 0.03	35,937
Est. sales: 38,224.					
Open int.: 276,957 off 3,627.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Dec 97	93.98	93.92	93.98	+0.02	103,461
Mar 98	94.75	94.62	94.74	+0.03	125,180
Jun 98	95.24	95.17	95.24	+0.04	127,193
Sep 98	95.40	95.32	95.40	+0.04	69,628
Dec 98	95.36	95.26	95.36	+0.05	57,543
Mar 99	95.24	95.17	95.24	+0.06	61,075
Est. sales: 76,316. Prev. sales: 48,857					
Prev. open int.: 571,130 up 2,226					

Industrials

	High	Low	Latest	Chge	Opint
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Dec 97	67.90	66.20	66.38	-1.59	281
Mar 98	69.20	68.20	68.56	-1.07	43,858
May 98	70.60	69.55	69.95	-1.03	13,955
Jul 98	71.90	71.00	71.20	-0.95	14,721
Oct 98	73.50	72.90	73.25	-0.38	1,016
Est. sales N.A. Wed's sales 5,883					
Wed's open int 84,999, up 43					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Jan 98	53.85	53.25	53.35	-0.15	54,711
Feb 98	54.45	52.85	53.94	-0.15	28,306
Mar 98	54.45	53.85	53.94	-0.20	15,949
Apr 98	53.60	53.20	53.24	-0.20	7,929
May 98	52.90	52.49	52.49	-0.25	6,179
Jun 98	52.65	52.24	52.24	-0.25	6,485
Jul 98	52.80	52.29	52.29	-0.25	3,599
Est. sales N.A. Wed's sales 39,364					
Wed's open int 136,601, up 4,679					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Jan 98	18.93	18.55	18.60	-0.20	106,487
Feb 98	19.15	18.82	18.85	-0.18	62,468
Mar 98	19.29	19.00	19.02	-0.15	33,794
Apr 98	19.37	19.14	19.14	-0.13	21,290
May 98	19.45	19.24	19.24	-0.12	21,111
Jun 98	19.51	19.29	19.29	-0.11	33,582
Est. sales N.A. Wed's sales 104,197					
Wed's open int 423,620, up 2,305					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Jan 98	2.617	2.400	2.460	-0.149	48,913
Feb 98	2.510	2.350	2.400	-0.110	26,897
Mar 98	2.370	2.250	2.300	-0.070	20,590
Apr 98	2.210	2.150	2.185	-0.045	12,068
May 98	2.190	2.150	2.175	-0.030	9,229
Jun 98	2.190	2.150	2.175	-0.030	8,560
Est. sales N.A. Wed's sales 41,943					
Wed's open int 206,849, off 2,507					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Jan 98	56.85	55.90	56.34	-0.21	34,059
Feb 98	57.15	56.25	56.66	-0.27	17,147
Mar 98	57.45	56.80	57.14	-0.29	10,963
Apr 98	60.00	59.65	59.84	-0.22	9,842
May 98	59.95	59.60	59.64	-0.22	8,161
Jun 98	59.60	59.14	59.14	-0.26	6,069
Jul 98	58.50	58.34	58.34	-0.21	4,074
Aug 98	58.00	57.39	57.39	-0.21	1,781
Est. sales N.A. Wed's sales 22,327					
Wed's open int 94,658, up 2,317					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Dec 97	167.00	165.00	165.25	+0.50	15,381
Jan 98	167.75	166.25	166.25	Unch.	26,291
Feb 98	167.75	166.25	166.50	+0.50	15,797
Mar 98	166.75	165.75	166.00	+0.50	11,481
Apr 98	165.50	165.0	164.75	Unch.	4,424
May 98	164.75	164.75	164.25	Unch.	2,745
Jun 98	164.75	164.50	164.00	Unch.	10,816
Est. sales: 10,785. Prev. sales: 19,075					
Prev. open int.: 101,212 up 1,968					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Jan 98	18.30	18.02	18.06	—0.12	66,630
Feb 98	18.27	18.04	18.07	—0.11	19,680
Mar 98	18.28	18.08	18.08	—0.11	13,295
Apr 98	18.32	18.08	18.09	—0.10	9,612
May 98	18.28	18.07	18.09	—0.10	15,115
Jun 98	18.28	18.09	18.09	—0.11	4,415
Est. sales: 34,000. Prev. sales: 55,451					
Prev. open int.: 191,224 up 5,531					

Stock Indexes

	High	Low	Latest	Chge	Opint
SP COMP INDEX (CMER) 250 x index					
Dec 97	985.80	972.80	973.70	-3.80	342,760
Mar 98	996.70	983.50	984.50	-3.90	66,011
Jun 98	1004.00	994.50	994.50	-4.50	5,975
Est. sales N.A. Wed's sales 157,025					
Wed's open int 416,589, up 2,317					
FTSE 100 (LIFFE) £25 per index point					
Dec 98	5012	5040.0	5099.0	+108	60,119
Mar 98	5065.0	5085.0	5145.5	+108.5	9,294
Est. sales: 14,637. Prev. sales: 8,938					
Prev. open int.: 69,413 up 651					
CAC 40 (MATIF) FF200 per index point					
Dec 97	2959.0	2925.0	2925.0	+17.0	44,178
Jan 98	2953.5	2941.0	2932.0	+17.0	4,604
Feb 98	2973.0	2960.0	2949.0	+17.5	11,252
Sep 98	2962.0	2960.0	2937.0	+18.0	10,635
Mar 99	3020.0	3012.0	3000.0	+21.0	5,120
Est. sales: 19,955.					
Open int.: 78,509 off 233.					

Commodity Indexes

	Close	Previous
Moody's	1,499.70	1,508.70
Reuters	1,793.90	1,795.50
D.J. Futures	143.87	144.52
CRB	234.93	236.06

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

52% Stake in GEC Alsthom to Be Sold in '98

Compiled by Our Staff From Dispatches

LONDON — Alcatel Alsthom SA and General Electric Co. of Britain said Thursday they would sell 52 percent of their GEC Alsthom joint venture in an initial public offering in 1998, giving them cash to invest in their main businesses.

The companies plan to sell shares in London, New York and Paris in the first half of next year, reducing their 50 percent stakes to 24 percent each.

GEC Alsthom, a power plant and transportation manufacturer known for its high-speed TGV trains, is worth about $6.71 billion, Alcatel said.

Alcatel's chief executive, Serge Tchuruk, said that the floatation would occur in the spring or summer of next year.

GEC, which analysts expect eventually to withdraw from the venture, said it would use the money from the sale to make acquisitions in defense and industrial electronics. Alcatel said it would keep its 24 percent stake. Analysts said Alcatel may use part of the funds from the sale to reduce its debt.

"This will give both shareholders better liquidity to manage as they wish," said Emmanuel Dubois-Pelerin, an analyst at Standard & Poor's Corp. "GEC Alsthom no longer needs their support in a competitive environment."

Alcatel's shares rose 6 francs to close at 740 ($124.84) in Paris, and GEC rose 9 pence to close at 400 ($6.74) in London.

Alcatel and GEC said their shareholders would get preferential rights to a portion of the offering. An Alcatel spokesman said it was too early to say what proportion that would be. The company, now legally registered in the Netherlands, will become French and take the name Alsthom. Alcatel Alsthom will become simply Alcatel.

The share sale could also speed an alliance between GEC Alsthom and Framatome SA, a French state-controlled nuclear-reactor maker of which Alcatel owns 44 percent, analysts said. A planned merger between the two companies failed this year because GEC refused to bow to demands from the French government that it own less than 50 percent of the new company.

Sales in the first half of GEC Alsthom's fiscal year, ended Sept. 30, rose 20 percent, while orders rose by 40 percent to 50 percent, Alcatel said.

Although GEC Alsthom suffered a setback last month when it lost a bid for Westinghouse Electric Corp.'s conventional energy business to Siemens AG, analysts said it was ready to stand alone in a rapidly consolidating industry.

For Alcatel Alsthom the decision to reduce its holding in GEC Alsthom fits its strategy of focusing on its telecommunications businesses while keeping industrial shareholdings that could provide new applications and markets for those products.

Alcatel earned 2.7 billion francs in 1996, recovering from a 1995 loss. As of June 30 this year, its debt rose to 15.5 billion francs from 13.1 billion francs at end of 1996.

Separately, General Electric said adjusted first-half earnings per share rose 6.3 percent as underlying profit growth across most of its businesses offset the impact of a strong pound.

Earnings per share rose to 10.1 pence from 9.5 pence, after excluding exceptional items in the previous year, as operating profit rose 9 percent, to £389 million.

Earnings were driven by a 29 percent jump in profit to £150 million at GEC-Marconi, the defense electronics business.

General Electric's sales rose 1.2 percent, to £5.12 billion.

Deutsche 'Willing' to Aid Russia

Compiled by Our Staff From Dispatches

FRANKFURT — Deutsche Bank AG said Thursday it was one of several banks that was considering lending about $2 billion to the Russian government, money the country could use to calm its financial markets.

"We are only one bank, among a whole group of banks, which is willing to lend the money to Russia," said a spokesman for the bank, who confirmed negotiations between the bank's Deutsche Morgan Grenfell unit and the Russian government.

Russia's first deputy prime minister, Anatoli Chubais, has also contacted Salomon Smith Barney, Credit Suisse First Boston and Chase Manhattan Bank about loans, according to published reports. Salomon executives declined to comment, as did Mr. Chubais's press office.

Meanwhile, a Russian oil-industry official said Moscow was considering using a stake of as much as 96 percent in the state oil company AO Rosneft to secure the emergency financing package.

"I do not know all the details of these talks," said Pyotr Rodionov, former deputy chief executive of RAO Gazprom, the gas monopoly and a former energy minister. "But I believe they are talking of using up to 96 percent of Rosneft shares."

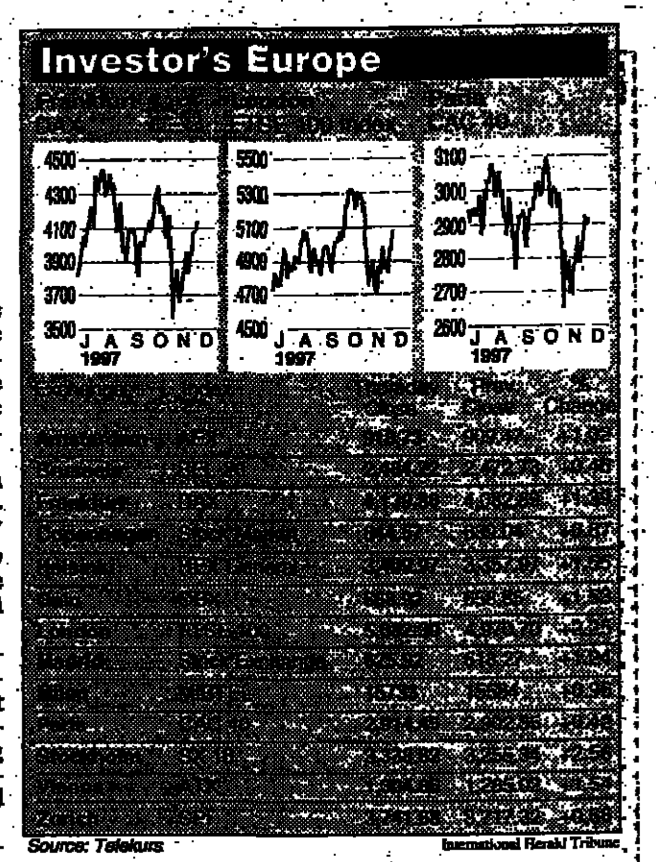
Moscow is considering a financing package to meet a shortfall in revenue caused by poor tax collection and stalled privatizations. An International Monetary Fund team is reviewing the government's progress on tax collection and overhauling the economy. If the IMF approves, Russia could get $700 million before the end of the year, about two months early.

Separately, the World Bank said it had ended negotiations on lending Russia $1.6 billion to overhaul its coal industry and help stabilize its economy and would discuss whether to approve the loans at a meeting Dec. 18. *(Bloomberg, Reuters)*

■ Volvo Plans Plant in Russia

Volvo AB signed a letter of intent with Russia for production of buses and trucks in Russia, an investment that could be worth $100 million, Agence France-Presse reported from Gothenburg, Sweden.

A bus plant could be built within two years, Volvo's chief executive, Leif Johansson, said.



Source: Telekurs International Herald Tribune

German and French Economies Get in Synch

Nations Post Similar Growth for 3d Quarter

Bloomberg News

PARIS — The German and French economies expanded at a similar pace in the third quarter, data released Thursday showed, which economists said should smooth the transition to a common European currency in 1999.

Germany's output rose 0.8 percent from the previous quarter and France's rose 0.9 percent. On an annual basis, the German economy expanded 2.3 percent and the French economy grew 2.7 percent.

The similar growth in Europe's two biggest economies means both nations are likely to agree on common interest rates among nations that will share the single currency, or euro, economists said.

The growth also will lead to higher tax revenue, making it easier for those nations to cut deficits to the level required for the euro, they said.

"The room for tension on interest rates between Germany and France is just not there for at least the next 18 months," said Joanne Perez, an economist at Merrill Lynch & Co. in Paris.

Agreement on interest rates is essential for the planned common European currency, economists said.

While Germany's third-quarter growth rate was fueled mainly by exports, there were signs of a rebound in consumer spending in France. Spending by French families rose 1.1 percent in the quarter, the fastest growth since early 1996, compared with a 1.1 percent decline in such spending in Germany.

In both countries, the rate of corporate investment increased, the data showed. French investment rose 1.7 percent from the second quarter, its biggest gain since 1995, while German investment rose 2.5 percent.

The stronger domestic economy in France compared with Germany is not likely to lead to any divergence between the two nations on interest rates, economists said. France's inflation rate is running below that of Germany, suggesting France has greater room to maneuver before it feels obliged to raise its rates.

The main central bank interest rates of Germany and France are both at 3.3 percent, and economists expect the countries' central banks to act in tandem in the months leading up to the introduction of the euro.

The decision on what interest rates will be applied to the 10 or 11 countries that are expected to adopt the euro in 1999 will be taken at the first meeting of the European Central Bank executive, on Jan. 4, 1999.

The officials will need to find a balance between the lower interest rates in Germany, France and the Benelux region and the higher rates in Italy, Spain and Portugal.

France has been pressing its European Union partners to agree to adopt interest rates close to prevailing rates in France and Germany.

GrandMet's 'Swan Song' Profit Takes a Leap

Compiled by Our Staff From Dispatches

LONDON — In its last profit report before merging with Guinness PLC, Grand Metropolitan PLC said Thursday that its pretax profit jumped to £834 million ($1.4 billion) in the year that ended Sept. 30 from £388 million the previous year.

But the food and beverage conglomerate said the profit increase would have been even greater if not for the strong pound, which resulted in a £75 million reduction in the company's profits overseas after currency conversion.

GrandMet and Guinness plan to form a company called Diageo in a merger valued at about $37 billion.

"It's pretty much a parting swan song for them because the numbers are clearly overshadowed by the prospects for Diageo," said Nick Lyall, an analyst at Societe Generale, of the results.

GrandMet's profit was driven by a strong performance from its U.S. food subsidiary, Pillsbury, which showed a profit of £457 million, a 12 percent increase.

But the strength of the pound hit IDV, GrandMet's spirits division, where profit fell 2 percent, to £460 million, although sales worldwide and prices improved by 2 percent.

Results at GrandMet's fast-food restaurant chain, Burger King, with 9,400 outlets, showed a £3 million increase, to £170 million. *(Reuters, AFX)*

Very briefly:

- **The Bundesbank** said the German Federal Bond Consortium, a group of banks that sets terms for government bond sales and is obliged to buy the first part of two-tranche sales, would be scrapped as of Jan. 1; the move was seen as the latest in a series of compromises between the central bank and the government aimed at making German debt more attractive to foreign investors.
- **Reuters Holdings PLC** will return £1.5 billion ($2.52 billion) to shareholders as it focuses on current businesses rather than diversifying; Reuters shareholders will receive 13 new ordinary shares plus £13.60 for every 15 existing shares they hold.
- **Great Universal Stores PLC**, Britain's largest catalog-shopping company, said its profit for the first half ended Sept. 30 rose 11.3 percent, to £174.3 million.
- **Hanson PLC**, the British building-materials group, said its profit for the quarter ended Sept. 30 rose 21 percent, to £97 million, and its founder, Lord Hanson, confirmed he would step down as chairman at the end of the year.
- **RAO Gazprom**, Russia's gas monopoly, said it planned to invest $40 billion over the next eight years as part of a comprehensive global expansion program.
- **VEBA AG**, the German industrial group, said it would invest 32.5 billion Deutsche marks ($18.3 billion) between 1998 and 2002 as part of an expansion drive, with nearly half the amount to be invested abroad.
- **Porsche AG**, the German sports-car manufacturer, said its net profit almost tripled in the year ended July 31, to 139.4 million DM, and that it expected a further 10 percent increase in the current year.
- **Credit Lyonnais SA**, France's embattled state-owned banking group, said in response to a press report that it was not prepared to sell its units in Belgium, Luxembourg and Switzerland, or 20 percent of its domestic network, in return for approval of a new state rescue plan. *Bloomberg, Reuters, AFP*

WORLD STOCK MARKETS

Thursday, Dec. 4
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 918.73 Previous: 909.47

	High	Low	Close	Prev.
ABN-AMRO	41.80	40.80	41.70	40.40
Aegon	176.90	174.60	176.60	174.20
Ahold	55.50	54.90	55.20	54.60
Akzo Nobel	359.80	358.20	359	359
Baan Co.	151.50	149.10	150.80	148.30
Bols Wess cvr	31.90	30.90	31.60	31
CSM cva	85.70	84.70	85.90	85.50
Dordtsche Pet	104.90	101.60	101.90	104
DSM	186.50	185.20	186.40	185.10
Elsevier	34	33.50	33.80	33.90
Fortis Amev	87.50	86.10	86.90	85.60
Getronics	70	69.20	69.90	70
G-Broc cva	54.70	53.50	53.60	53.80
Hagemeyer	94.10	93	93.80	92.50
Heineken	349	345	348.10	347
Hoogovens cva	94.50	92.80	93.80	92.50
Hunt Douglas	79.20	78.30	78.80	79
ING Group	89.20	86	88.90	85.10
KLM	73.50	72.10	73.30	72.10
KNP BT	44.90	44.20	44.60	44.50
KPN	83.10	82.30	82.40	82.30
Nedlloyd Gp	45.70	43.10	44.90	45.20
Nutricia	62.40	60.70	61.40	60.60
Oce Grinten	231	228	229	227.30
Philips Elec	133.20	129.60	131.60	131.80
Polygram	104	102.90	103	102.20
Randstad Hdg	74.50	73.80	74.70	74.30
Robeco	191.50	190.10	190.50	190.50
Rodamco	56.90	56.40	56.70	56.30
Rolinco	180	178.70	180	179
Rorento	120.30	120	120	119.80
Royal Dutch	107	103.10	103.90	106.10
Unilever cva	120.80	119.60	120.80	118.40
Vendex Intl	110.50	109.10	110.40	109
VNU	51.40	50.20	50.80	50.70
Wolters Kl cva	267.50	264.60	266.20	268.30

Bangkok
SET index: 388.77 Previous: 377.38

	High	Low	Close	Prev.
Adv Info Svc	210	180	194	188
Bangkok Bk F	118	114	114	114
Krung Thai Bk	13	12.25	12.75	12
PTT Explor	390	372	372	374
Siam Cement F	336	334	334	326
Siam Com Bk F	61	56.50	60.50	54
Telecomasia	12.25	11	11	11.50
Thai Airways	46.25	43	44	43
Thai Farm Bk F	105	100	101	100
Utd Comm	21.75	20.75	21.75	20.75

Bombay
Sensex 30 index: 3527.18 Previous: 3562.37

	High	Low	Close	Prev.
Bajaj Auto	624	606	608.50	616
Hindust Lever	1397	1355	1374.75	1385.25
Hindust Petlm.	468	457.25	460.50	469.25
Ind Dev Bk	83.25	81	83	83
ITC	645	619.50	630	627.25
Mahanagar Tel	231.50	221.25	221.50	232.25
Reliance Ind	171.25	153.50	164	158.75
State Bk India	224.75	216.25	218	222.50
Steel Authority	10.75	10	10.25	10.50
Tata Eng Loco	296	285.50	290	291

Brussels
BEL-20 index: 2484.22 Previous: 2472.73

	High	Low	Close	Prev.
Almanij	1720	1690	1710	1680
Barco Ind	6900	6850	6850	6820
BBL	10275	9940	10200	9800
CBR	3390	3345	3355	3370
Colruyt	20000	19650	20000	19625
Delhaize Lion	1905	1890	1895	1890
Electrabel	8280	8250	8260	8270
Electrafina	3445	3400	3445	3415
Fortis AG	7650	7540	7610	7550
Gevaert	1635	1570	1630	1570
GBL	5640	5600	5670	5590
Gen Banque	15375	15175	15325	15200
Kredietbank	15575	15125	15200	15525
Petrofina	14600	14450	14475	14475
Powerfin	5190	5150	5150	5150
Royale Belge	10025	9820	10000	9820
Soc Gen Belg	3535	3475	3525	3500
Solvay	2320	2240	2300	2235
Tractebel	3125	3100	3100	3115
UCB	130700	128100	128180	129000

Copenhagen
Stock index: 646.57 Previous: 639.04

	High	Low	Close	Prev.
BG Bank	490	460	485	465
Carlsberg B	376	369	374	371
Codan Fors	970	960	960	965
Danisco	378	364	370	373
Den Danske Bk	840	814	835	812
D/S Svendbrg B	415000	410000	412500	405000
D/S 1912 B	295000	278000	295000	283000
FLS Ind B	175	177	175	172
Kob Lufthavne	790	779	785	790
Novo Nordisk B	885.11	859	882	870.50
Sophus Ber B	1072	1050	1070	1061.06
Tele Danmk B	414	404	411	406.41
Tryg Baltica	417.50	409	415	409.20
Unidanmark A	495	477	493	478

Frankfurt
DAX: 4139.80 Previous: 4082.89

	High	Low	Close	Prev.
AMB B	175	172	174.80	174.50
Adidas	259.50	253.80	259.50	255.70
Allianz	433.70	429.50	433.70	429.50
Altana	126.50	122.75	126.50	122.70
Bk Berlin	38.15	38	38	38
BASF	65.25	64.85	65	65.10
Bayer Hypo Bk	82.60	79.95	82.40	79.75
Bay Vereinsbank	111	108.50	110.50	107.50
Bayer	67.55	66.25	66.30	66.90
Beiersdorf	78.50	77.70	77.70	79
Bewag	43.10	43	43.05	42.90
BMW	1428	1418	1418	1410
CKAG Colonia	172	165	166.50	162
Commerzbank	62.90	62.20	62.20	61.60
Daimler Benz	129	126.80	127	128.90
Degussa	91.50	89.60	91.50	85
Deutsche Bank	115.80	113.90	115.35	114.50
Deut Telekom	34.85	34.65	34.80	34.60
Dresdner Bank	71.40	70.80	71.25	70
Fresenius	287	281	281	284
Fresenius Med	112.50	111	111.30	111.50
Fried. Krupp	356	355	355	351
Gehe	98.50	94.50	97.50	95.80
Heidelbg Zml	140	139	139	138
Henkel pfd	110.90	110	110.50	109
HEW	461	461	461	461
Hochtief	79	78.40	78.50	79.50
Hoechst	64.15	62.50	63.40	63.35
Karstadt	664	658	664	642
Lahmeyer	78.90	77.10	78.50	76.50
Linde	1112	1105	1112	1096
Lufthansa R	34.60	34	34.10	35.20
MAN	548.50	540	547.50	541
Mannesmann	883.50	878	880	877.50
Metallgesellschaft	34.10	34.02	34.08	33.95
Metro	83.50	81	82	83
Munch Rueck R	600	595	599.50	595.80
Preussag	529	524	528	527
RWE	96	92.80	95.70	91.85
SAP	564	551	558.50	545
Schering	179	175.50	177.50	178.80
SGL Carbon	239	236.20	239	237.50
Siemens	108.70	107.80	108.70	106.70
Springer (Axel)	1400	1290	1293	1300
Suedzucker	945	940	940	940
Thyssen	421.50	418	421	414.20
Veba	115.10	113	114.95	106.60
VEW	570	570	570	550
Viag	945	927	945	908
Volkswagen	1051	1040	1051	1039

Helsinki
HEX General index: 3409.97 Previous: 3357.97

	High	Low	Close	Prev.
Enso A	47	47	47	46.70
Huhtamaki I	232	230	230	233
Kemira	51	50.50	51	50.40
Kesko	84.50	80	83.50	80
Merita A	27.10	26.70	26.90	26.70
Metra B	132	128	128	130.20
Metso-Serla B	48	46	47.80	47
Neste	127	124	126	123
Nokia A	424	409	421	404
Orion-Yhtymae	209.90	208.50	208.50	206
Outokumpu	73.20	72.50	73.20	71.70
UPM-Kymmene	116.50	115	116.50	115.50
Valmet	79	78.60	78.70	79

Hong Kong
Hang Seng: 11474.94 Previous: 11207.58

	High	Low	Close	Prev.
Amoy Props	6.90	6.70	6.90	6.65
Bk East Asia	19.90	18.50	19.75	18.55
Cathay Pacific	7.10	6.95	7.05	6.90
Cheung Kong	58	55.75	57.25	56.25
CK Infrastruct	20.50	19.60	20.45	19.90
China Light	41.80	40.50	41.80	41.10
Citic Pacific	33.90	32.60	33.80	32.60
Dao Heng Bk	22.95	21.60	22.25	22.60
First Pacific	5.55	5.40	5.45	5.50
Hang Lung Dev	11.95	11.75	11.80	11.90
Hang Seng Bk	78	75	77.50	75
Henderson Inv	6.80	6.70	6.70	6.60
Henderson Ld	40.40	39.70	40.10	39.80
HK China Gas	15.05	14.50	15.05	14.45
HK Electric	28.70	28.30	28.55	28.10
HK Telecomm	16.65	15.70	16.45	15.65
Hopewell Hdgs	2.18	2.10	2.13	2.08
HSBC Hdgs	205	198.50	204	199.50
Hutchison Wh	57.75	56	56.75	56.50
Hysan Dev	16.60	16.20	16.55	16.35
Johnson El Hdg	22.60	21.60	21.70	22.60
Kerry Props	14	13.95	14	13.80
New World Dev	30.90	29.65	30.70	29.65
Oriental Press	2.50	2.40	2.43	2.55
Pearl Oriental	0.45	0.42	0.43	0.43
SHK Props	62.25	60.25	62	61
Shun Tak Hdgs	2.70	2.53	2.60	2.50
Sino Land Co.	4.85	4.70	4.85	4.75
Sth China Post	6.05	5.95	6	6.05
Swire Pac A	43.30	42.80	43.20	43
Wharf Hdgs	16.95	16.40	16.95	16.40
Wheelock	9.50	9.10	9.45	9.20

Jakarta
Composite index: 401.93 Previous: 389.68

	High	Low	Close	Prev.
Astra Intl	2025	1850	1975	1875
Bk Intl Indon	475	450	475	450
Bk Negara	600	525	600	550
Gudang Garm	7900	7425	7900	7425
Indocement	1475	1425	1475	1500
Indofood	2450	2225	2300	2225
Indosat	8500	8150	8500	8225
Sampoerna HM	4675	4600	4675	4650
Semen Gresik	2850	2700	2800	2675
Telekomunikasi	2775	2675	2750	2675

Johannesburg
All Market: 6262.74 Previous: 6296.81

	High	Low	Close	Prev.
ABSA Group	28	27.80	27.90	27.90
AngloAm Coal	250	238	240	250
AngloAm Corp	203	198	203	202.40
AngloAm Gold	176	176	175	180
AngloAm Ind	117	116	117	118
AngloAM Plat	75.30	74.50	75	75.50
AVMIN	6.20	6.10	6.20	6.20
Barlow	44.70	44	44.60	44.55
C.G. Smith	20.80	20.40	20.50	20.75
De Beers	103	102	103	102.60
Driefontein	33.15	33	33.10	33
Fst Natl Bk	41.45	41.20	41.40	41.50
Gencor	7.75	7.60	7.70	7.75
GFSA	64.50	63	64	65.70
Imperial Hdgs	59	58.20	58.50	59.70
Ingwe Coal	18.90	18.30	18.30	18.90
Iscor	2.12	2.08	2.11	2.14
Johnnies Indl	52	49.80	50.40	52.10
Liberty Hdgs	331.40	331	331	333
Liberty Life	121.80	121.20	121.80	122
LibLife Strat	16.35	16	16.20	16.50
Minorco	86.40	86.10	86.40	86
Nampak	15.90	15.70	15.80	15.90
Nedcor	106.80	105	106.40	106.20
Rembrandt Gp	37.70	36.70	37.70	37.20
Richemont	56	55	55.50	56.70
SA Breweries	120.40	119	120.20	120
Samancor	26.25	25.25	25.25	26.25
Sasol	50.50	50	50.20	51
SBIC	213	211.60	212	212
Tiger Oats	69.50	68.50	69	69

Kuala Lumpur
Composite: 575.89 Previous: 548.84

	High	Low	Close	Prev.
AMMB Hdgs	3.14	2.92	3.02	2.99
Genting	9	8.35	9	8.30
Mal Banking	9.80	9.10	9.45	9.20
Mal Intl Ship F	4.62	3.82	4.60	4.32
Petronas Gas	9	8.75	8.90	8.75
Proton	5	4.34	4.70	4.32
Public Bk	2.05	1.95	2.04	1.95
Renong	1.92	1.37	1.80	1.80
Resorts World	5.35	4.92	5.15	4.96
Rothmans PM	32	31	32	31
Sime Darby	4	3.64	3.88	3.66
Telekom Mal	9.55	8.10	9	8.10
Tenaga	6.85	6.05	6.35	6.05
Utd Engineers	3.60	3.20	3.24	3.24
YTL	4	3.82	3.96	3.80

London
FT-SE 100: 5082.30 Previous: 4970.70

	High	Low	Close	Prev.
Abbey Natl	10.50	9.70	9.80	9.74
Allied Domecq	5.48	5.37	5.43	5.40
Anglian Water	8.32	8	8.17	8.12
Argos	6.20	6.13	6.14	6.12
Asda Group	1.72	1.67	1.70	1.66
Assoc Br Foods	5.58	5.47	5.54	5.54
BAA	5.25	5.04	5.16	5.05
Barclays	15.30	14.86	14.90	14.91
Bass	8.99	8.70	8.86	8.76
BAT Ind	5.50	5.16	5.47	5.44
Bank Scotland	5.45	5.30	5.42	5.27
Blue Circle	3.50	3.42	3.49	3.52
BOC Group	9.85	9.40	9.75	9.50
Boots	9.18	8.94	9.07	9.12
BPB Ind	3.39	3.36	3.36	3.37
Brit Aerosp	16.99	16.40	16.65	16.58
Brit Airways	5.49	5.31	5.43	5.41
BG	2.95	2.78	2.87	2.82
Brit Land	6.97	6.62	6.69	6.62
Brit Petm	8.42	8.18	8.36	8.15
BSkyB	4.61	4.51	4.58	4.55
Brit Steel	1.41	1.38	1.40	1.41
Brit Telecom	4.74	4.21	4.69	4.68
BTR	2.11	2.02	2.09	2.10
Burmah Castrol	10.49	9.92	10.01	9.95
Burton Gp	1.50	1.48	1.49	1.47
Cable Wireless	5.43	5.34	5.40	5.38
Cadbury Schw	6.42	6.31	6.38	6.40
Carlton Comm	4.85	4.66	4.73	4.66
Coml Union	8.95	8.40	8.48	8.47
Compass Gp	7.07	7	7.02	7.04
Courtaulds	3.10	2.80	3.05	2.80
Dixons	6.65	6.55	6.62	6.61
Electrocomponents	4.43	4.35	4.42	4.35
EMI Group	4.75	4.62	4.70	4.63
Energy Group	6.41	6.28	6.40	6.35
Enterprise Oil	5.94	5.78	5.90	5.81
Fore Colonial	1.71	1.67	1.71	1.68
Genl Accident	10.78	10.15	10.78	10.13
GEC	4.06	3.94	4	3.91
GKN	13.65	12.95	13.41	13.21
Glaxo Wellcome	13.90	13.41	13.65	13.46
Granada Gp	8.56	8.49	8.55	8.48
Grand Met	5.48	5.39	5.44	5.36
GRE	3.17	3.08	3.13	3.11
Greenalls Gp	4.18	4	4.05	4
Guinness	5.51	5.38	5.46	5.38
GUS	7.19	6.87	7.04	6.86
Hays	7.85	7.40	7.80	7.60
HSBC Hdgs	16.69	15.24	15.97	15.20
ICI	8.95	8.57	8.93	8.67
Impl Tobacco	4	3.90	3.98	3.90
Kingfisher	8.59	8.44	8.50	8.43
Ladbroke	2.85	2.81	2.83	2.83
Land Sec	9.99	9.70	9.89	9.74
Lasmo	2.75	2.64	2.73	2.64
Legal Genl Grp	5.23	5.10	5.18	5.13
Lloyds TSB Gp	7.33	7.07	7.33	7.13
LucasVarity	1.91	1.89	1.90	1.90
Marks Spencer	6.45	6.22	6.31	6.23
MEPC	5.53	5.45	5.52	5.54
Mercury Asset	16.75	16.65	16.69	16.74
National Grid	3.05	2.98	3	3
Natl Power	5.99	5.71	5.87	5.74
NatWest	9.35	9.11	9.27	9.05
Next	7.41	7.33	7.40	7.39
Norwich Union	3.98	3.67	3.88	3.69
Orange	2.58	2.45	2.53	2.53
P&O	6.73	6.25	6.73	6.62
Pearson	8.39	8.15	8.32	8.17
Pilkington	1.26	1.23	1.25	1.25
PowerGen	8.04	7.75	7.94	7.78
Premier Farnell	4.20	4.13	4.19	4.19
Prudential	7.10	6.82	7.04	6.79
Railtrack Gp	10.70	10.28	10.56	10.44
Rank Group	3.50	3.44	3.45	3.48
Reckitt Colm	9.40	8.89	9.55	8.94
Redland	3.44	3.41	3.41	3.42
Reed Intl	6.32	6.11	6.20	6.35
Rentokil Initial	2.68	2.46	2.57	2.48
Reuters Hdgs	7.19	6.85	7.10	6.81
Rexam	2.92	2.84	2.88	2.87
RTZ reg	7.43	7.30	7.41	7.37
RMC Group	9.40	9	9.34	9.24
Rolls Royce	2.45	2.36	2.42	2.41
Royal Bk Scot	7.27	6.90	7.08	6.90
Royal & Sun All	6.05	5.86	5.95	5.85
Safeway	3.35	3.27	3.31	3.27
Sainsbury	5.15	5.03	5.08	5.04
Schroders	19	18.43	18.76	18.42
Scot Newcastle	7.45	7.26	7.35	7.30
Scot Power	5.25	4.82	5	4.90
Securicor	2.86	2.79	2.83	2.70
Severn Trent	10	9.55	9.68	9.62
Shell Transp R	4.24	4.13	4.20	4.19
Siebe	12.30	11.50	12.23	11.61
Smith Nephew	1.75	1.71	1.74	1.72
SmithKline	6.46	6.01	6.15	6.03
Smiths Ind	8.69	8.19	8.50	8.19
Sthern Elec	4.80	4.52	4.80	4.67
Stagecoach	7.58	7.47	7.54	7.61
Stand Charter	7.62	7.20	7.46	7.12
Tate & Lyle	4.84	4.80	4.83	4.82
Tesco	5.12	5	5.09	5.01
Thames Water	9.48	9.06	9.30	9.21
3i Group	5.20	5.10	5.14	5.08
TI Group	5.25	4.96	5.10	4.97
Tomkins	3.15	3.01	3.09	3.06
Unilever	4.92	4.78	4.87	4.78
Utd Assurance	5.25	5.20	5.20	5.20
Utd News	7.64	7.54	7.64	7.56
Utd Utilities	7.95	7.80	7.89	7.94
Vendome Lx uts	4.70	4.53	4.70	4.66
Vodafone	3.99	3.75	3.87	3.77
Whitbread	8.55	8.40	8.50	8.45
Williams Hdgs	3.58	3.41	3.55	3.31
Wolseley	5.22	4.75	4.91	4.84
WPP Group	2.68	2.63	2.66	2.62
Zeneca	19.55	19.22	19.26	19.29

Madrid
Bolsa index: 625.92 Previous: 618.27

	High	Low	Close	Prev.
Acerinox	24940	24550	24600	24490
ACESA	2050	2015	2045	2025
Aguas Barcelon	6410	6300	6380	6330
Argentaria	9550	9340	9490	9330
BBV	4785	4590	4670	4590
Banesto	1450	1420	1425	1420
Bankinter	8600	8400	8500	8420
Bco Centro Hisp	3130	3085	3110	3075
Bco Popular	9860	9660	9860	9650
Bco Santander	4630	4595	4610	4580
CEPSA	4710	4675	4680	4665
Continente	3015	2965	2965	2965
Corp Mapfre	7900	7750	7810	7650
Endesa	2885	2840	2870	2845
FECSA	1370	1345	1355	1345
Gas Natural	7550	7310	7500	7240
Iberdrola	2025	1995	2020	1980
Pryca	2450	2405	2405	2405
Repsol	6550	6460	6520	6440
Sevillana Elec	1490	1460	1460	1440
Tabacalera	11670	11340	11590	11340
Telefonica	4615	4575	4595	4540
Union Fenosa	1510	1495	1510	1500
Valenc Cement	2850	2800	2835	2825

Manila
PSE index: 1804.91 Previous: 1799.49

	High	Low	Close	Prev.
Ayala	14	13.50	13.75	13.75
Ayala Land	14.50	13.75	14.50	13.75
Bk Philip Isl	87.50	86	87.50	87.50
C&P Homes	2.40	2.08	2.14	2.20
Manila Elec A	76.50	75	75	76.50
Metro Bank	267.50	257.50	260	267.50
Petron	3.45	3.35	3.45	3.45
PCIBank	136	134	136	135
Phil Long Dist	860	845	855	860
San Miguel B	46	45	45.50	45.50
SM Prime Hdg	5.60	5.50	5.50	5.60

Mexico
Bolsa index: 5145.87 Previous: 5127.91

	High	Low	Close	Prev.
Alfa A	63.50	61.70	62.00	63.00
Banacci B	21.30	20.05	21.25	19.96
Cemex CPO	37.00	36.25	36.35	36.60
Cifra C	17.34	16.70	16.90	16.70
Emp Modema	40.30	39.75	40.30	40.30
Gpo Carso A1	56.60	55.70	55.70	56.00
Gpo F Bcomer	3.30	3.20	3.23	3.19
Gpo Fin Inbursa	33.50	32.75	32.30	32.70
Kimb Clark Mex	38.40	37.50	38.10	37.70
Televisa CPO	162.70	161.00	162.00	160.00
TelMex L	21.70	21.50	21.55	21.45

Milan
MIB Telematico: 15733.00 Previous: 15584.00

	High	Low	Close	Prev.
Alleanza Assic	16960	16650	16650	16650
Bca Comm Ital	5008	4935	4950	5005
Bca Fideuram	7590	7435	7580	7470
Bca di Roma	1469	1420	1450	1430
Benetton	28250	27350	28000	27800
Credito Italiano	4930	4780	4930	4800
Edison	10350	9905	10310	9940
ENI	9935	9850	9880	9760
Fiat	5230	5100	5120	5120
Generali Assic	40200	39200	39950	39000
IMI	19000	18490	18860	18450
INA	3090	3050	3085	3050
Italgas	6920	6790	6880	6785
Mediaset	8450	8315	8370	8450
Mediobanca	12950	12450	12835	12400
Montedison	1522	1493	1515	1490
Olivetti	984	970	974	970
Parmalat	2550	2490	2520	2470
Pirelli	4700	4525	4600	4700
RAS	16320	16150	16200	16130
Rolo Banca	25400	24900	25200	25050
S Paolo Torino	15645	14750	15570	14915
Telecom Italia	11145	11025	11070	11020
TIM	7450	7360	7370	7330

Montreal
Industrials index: 3374.07 Previous: 3348.42

	High	Low	Close	Prev.
Bce Mob Com	39.85	39.35	39¼	39.90
Cdn Tire A	29.95	29.90	29.95	29½
Cdn Util A	39.85	39.80	39.85	39.55
CT Finl Svc	52	52	52	52
Gaz Metro	18½	18.35	18.45	18½
Gt-West Lifeco	35	34	35	34.70
Imasco	53.95	52.60	52.65	54
Investors Grp	43.30	42¾	43¼	41.80
Loblaw Cos	24.10	24	24	24.10
Natl Bk Canada	23.15	23	23.05	22.95
Power Corp	46.80	46.30	46.45	46¼
Power Finl	46	45	45.70	45.40
Quebecor B	28	27.60	27.80	27.70
Rogers Comm B	6.55	6.30	6.55	6.30
Royal Bk Cda	80.60	79.40	80	80.20

Oslo
OBX index: 648.92 Previous: 658.85

	High	Low	Close	Prev.
Aker A	128	126	127	125.50
Bergesen Dy A	184	183	184	183.50
Christiania Bk	26.40	26.20	26.30	26.10
Den norske Bk	31.40	31.10	31.20	31.10
Elkem	101	99.50	101	100
Hafslund A	44.50	44.40	44.50	45
Kvaerner	371	362	362	359
Norsk Hydro	368	361	362	359
Norske Skog A	222	218	222	220
Nycomed Amer	188	188	188	188
Orkla A	635	620	630	620
Petm GeoSvc	462.50	455	457.50	455
Saga Petm A	128	125	125	124.50
Schibsted	132.50	129	129	130
Transocean Off	345	345	345	340
Storebrand	48.80	47.20	47.50	47.50

Paris
CAC-40: 2914.45 Previous: 2902.35

	High	Low	Close	Prev.
Accor	1193	1144	1145	1159
AGF	335.50	334	335.10	333.50
Air Liquide	948	932	937	933
Alcatel Alsth	765	738	740	734
Axa-UAP	449	441.80	444.60	438.60
Bancaire	919	918	913	907
BIC	448	423.10	437	425
BNP	302	295.30	300	292.80
Canal Plus	1037	1022	1022	1027
Carrefour	3126	3040	3040	3190
Casino	340	333.10	336.40	333.90
CCF	379.50	360.50	374	358.80
Cetelem	785	778	781	776
Christian Dior	665	642	642	652
Credit Agricole	1110	1110	1110	1114
Danone	1000	993	994	992
Dexia Fran	666	645	658	645
Elf-Aquitaine	694	666	670	671
Eridania BS	984	960	973	961
Eurodisney	7.60	7.40	7.50	7.50
Eurotunnel	6.45	6.25	6.30	6.40
France Telecom	218	216.20	217	215.80
Gen. Eaux	807	799	800	795
Havas	415.20	405.60	410.50	404.50
Imetal	705	698	704	706
Lafarge	392.70	387.10	387.50	385.90
Legrand	1215	1187	1194	1186
L'Oreal	2394	2344	2354	2337
LVMH	1078	1051	1053	1057
Michelin B	337.90	332	335.90	327.40
Paribas A	447.90	443	444.70	442.80
Pernod Ricard	332	319.10	332	317.30
Peugeot Cit	712	701	701	699
Pinault-Print	3240	3160	3169	3141
Promodes	2325	2300	2315	2297
Renault	179.50	173.50	177	173.10
Roussel	1841	1761	1761	1790
Rh-Poulenc A	275	269.10	270.30	269
Sanofi	599	586	596	588
Schneider	342.90	333.10	336.10	332.80
SEB	839	825	825	825
SGS Thomson	397.80	391	391.50	388
Ste Generale	815	803	812	803
Sodexho	3330	3226	3330	3248
St Gobain	830	812	822	808
Suez (Cie)	15.85	15.85	15.85	15.50
Suez Lyon Eaux	669	657	658	660
Synthelabo	768	752	765	757
Thomson CSF	175	168.70	170	170
Total B	628	604	605	615
Usinor	94	90.80	91.85	92.90
Valeo	434	411	421.50	404.70

São Paulo
Bovespa index: 10168.85 Previous: 09991.72

	High	Low	Close	Prev.
Bradesco Pfd	8.90	8.59	8.89	8.55
Brahma Pfd	758.00	749.00	749.00	754.99
Cemig Pfd	54.00	52.00	52.50	53.00
CESP Pfd	78.08	73.21	74.00	75.00
Copel	13.38	13.10	13.20	13.70
Eletrobras	555.00	542.00	544.00	535.00
Itaubanco Pfd	515.00	505.01	508.00	510.00
Light Servicos	475.00	465.00	465.00	460.00
Lightpar	300.00	291.22	293.00	300.00
Petrobras Pfd	268.80	260.00	264.00	262.08
Paulista Luz	161.00	155.38	155.30	161.99
Sid Nacional	29.28	28.50	29.20	28.99
Souza Cruz	8.75	8.63	8.63	8.70
Telebras Pfd	127.70	124.80	127.00	123.50
Telemig	135.00	129.80	129.80	138.98
Telerj	118.00	115.00	115.50	117.00
Telesp Pfd	333.00	320.00	330.80	320.00
Unibanco	39.00	37.01	39.00	39.00
Usiminas Pfd	7.20	7.08	7.08	7.01
CVRD Pfd	21.40	20.50	20.90	20.90

Seoul
Composite index: 405.81 Previous: 379.31

	High	Low	Close	Prev.
Dacom	53000	53000	53000	49100
Daewoo Heavy	5500	5400	5500	5100
Hyundai Eng.	7860	7860	7860	7280
Kia Motors	4960	4960	4960	4600
Korea El Pwr	15700	15300	15700	14600
Korea Exch Bk	4150	4050	4150	3850
LG Semicon	16800	16800	16800	15600
Pohang Iron St	52100	51400	52100	48300
Samsung Display	37200	36000	37200	34500
Samsung Elec	45280	43900	45280	41900
Shinhan Bank	6930	6930	6930	6420
SK Telecom	402000	402000	402000	372500

Singapore
Straits Times: 1700.23 Previous: 1696.29

	High	Low	Close	Prev.
Asia Pac Brew	4.60	4.60	4.60	4.60
Cerebos Pac	4.86	4.62	4.82	4.62
City Devlts	8.30	8.10	8.30	8.20
Cycle Carriage	7.15	7.05	7.15	7.10
Dairy Farm Intl *	0.92	0.88	0.90	0.92
DBS foreign	15.50	15.20	15.50	15.50
DBS Land	2.77	2.70	2.75	2.73
Fraser & Neave	8.55	8.20	8.50	8.15
HK Land *	2.22	2.20	2.21	2.21
Jard Matheson *	5.55	5.40	5.45	5.50
Jard Strategic *	2.88	2.79	2.80	2.89
Keppel A	5.60	5.45	5.45	5.55
Keppel Bank	2.75	2.72	2.74	2.70
Keppel Fels	4.42	4.42	4.42	4.42
Keppel Land	2.66	2.57	2.62	2.59
OCBC foreign	10.60	10.20	10.40	10.50
OS Union Bk F	6.75	6.55	6.70	6.55
Parkway Hdgs	3.80	3.70	3.72	3.74
Sembawang	5.45	5.40	5.40	5.50
Sing Air foreign	11	10.70	11	10.80
Sing Land	4.80	4.72	4.74	4.82
Sing Press F	22.70	22.20	22.30	22.60
Sing Tech Ind	1.67	1.61	1.66	1.61
Sing Telecomm	3.12	3	3.08	3.04
Tat Lee Bank	2.69	2.65	2.67	2.67
Utd Industrial	0.72	0.71	0.72	0.72
Utd OSea Bk F	10.60	10.30	10.40	10.50
Wing Tai Hdgs	2.14	2.09	2.10	2.11

*: in U.S. dollars.

Stockholm
SX 16 index: 3338.82 Previous: 3295.34

	High	Low	Close	Prev.
AGA B	104	101	104	102
ABB A	100	98	99	98.50
AssiDoman	212	210	210	213
Astra A	138	135.50	137	137.50
Atlas Copco A	252.50	248	251.50	248.50
Autoliv	294	290.50	294	291.50
Electrolux B	628	614	627	610
Ericsson B	316	307	314	297
Hennes B	374	362	373	359
Incentive A	722	715	715	716
Investor B	391	380.50	389.50	379.50
MoDo B	222	217	221.50	217
Nordbanken	270	255	260	268.50
Pharm/Upjohn	280	272	280	271
Sandvik B	243	238	242	237
Scania B	193	186	189	186
SCA B	175	172	174	174
S-E Banken A	95	92	94.50	92.50
Skandia Fors	412	397	406	396.50
Skanska B	330	329	329.50	330
SKF B	188.50	182.50	185	182.50
Foereningss B	205	200	204	201.50
Stora A	101	98.50	101	100
Sv Handels A	294	280	291	281
Volvo B	223	219	221	219

Sydney
All Ordinaries: 2552.50 Previous: 2542.40

	High	Low	Close	Prev.
Amcor	6.82	6.71	6.77	6.76
ANZ Bkg	10.47	10.25	10.26	10.75
BHP	14.60	14.14	14.25	14.61
Boral	3.75	3.59	3.74	3.75
Brambles Ind.	28.15	27.55	27.95	28.17
CBA	17.16	16.95	17	17.10
CC Amatil	11.10	10.85	11.06	11
Coles Myer	7.74	7.54	7.54	7.70
Comalco	6.31	6.22	6.30	6.22
CSR	4.97	4.88	4.96	4.95
Fosters Brew	2.77	2.70	2.73	2.78
Goodman Fld	2.36	2.30	2.35	2.36
ICI Australia	11.20	11	11.08	11.19
Lend Lease	31.29	30.90	31	31.02
MIM Hdgs	1.14	1.11	1.15	1.15
Nat Aust Bank	20.59	20.20	20.45	20.44
Nat Mutual Hdg	2.44	2.37	2.44	2.42
News Corp	8.18	7.93	8.15	7.73
Pacific Dunlop	3.28	3.17	3.24	3.16
Pioneer Intl	3.90	3.85	3.90	3.87
Pub Broadcast	8.85	8.60	8.71	8.86
Rio Tinto	16.98	16.70	16.75	16.98
St George Bank	9.25	9.10	9.13	9.28
WMC	5.19	4.88	4.95	5.18
Westpac Bkng	9.40	9.26	9.33	9.34
Woodside Pet	11.09	10.95	10.96	11.06
Woolworths	4.96	4.83	4.93	4.87

Taipei
Stock Market index: 8050.13 Previous: 7982.51

	High	Low	Close	Prev.
Cathay Life Ins	137	135	135.50	135
Chang Hwa Bk	91.50	90	90.50	90
Chiao Tung Bk	67	65	66.50	65
China Developmt	90.50	88.50	90.50	88.50
China Steel	25.10	24.30	24.40	24.80
First Bank	91.50	89.50	90	90
Formosa Plastic	59.50	57	58.50	58.50
Hua Nan Bk	97.50	95	96	96
Intl Comm Bk	54.50	53	53.50	53.50
Nan Ya Plastics	56.50	54.50	55.50	56
Shin Kong Life	93.50	91	92	91
Taiwan Semi	123	119	122.50	118.50
Tatung	36.80	35.70	36.20	35.80
Utd Micro Elec	66	63	65.50	62.50
Utd World Chin	57.50	56.50	57	56.50

Tokyo
Nikkei 225: 16306.79 Previous: 16585.98

	High	Low	Close	Prev.
Ajinomoto	1160	1140	1140	1160
All Nippon Air	605	593	594	601
Amway	2400	2360	2390	2320
Asahi Bank	570	536	538	572
Asahi Chem	560	532	547	560
Asahi Glass	781	750	756	784
Bk Tokyo Mitsu	1800	1770	1790	1800
Bk Yokohama	383	366	366	384
Bridgestone	2930	2860	2880	2820
Canon	3160	3100	3150	3190
Chubu Elec	2030	2000	2000	2010
Chugoku Elec	1870	1850	1860	1850
Dai Nipp Print	2480	2440	2450	2460
Daiei	523	500	512	500
Dai-Ichi Kang	985	945	950	990
Daiwa Bank	326	304	315	330
Daiwa House	985	938	945	970
Daiwa Sec	434	392	410	442
DDI	3980a	3650a	3690a	3870a
Denso	2340	2280	2320	2380
East Japan Ry	5830a	5790a	5820a	5790a
Eisai	1880	1840	1840	1880
Fanuc	4900	4820	4890	4840
Fuji Bank	667	628	652	692
Fuji Photo	4620	4580	4600	4580
Fujitsu	1440	1420	1420	1440
Hachijuni Bk	1080	1050	1060	1080
Hitachi	950	920	940	959
Honda Motor	4670	4610	4640	4670
IBJ	1120	1090	1090	1120
IHI	270	263	270	270
Itochu	325	310	315	321
Ito-Yokado	6030	5920	5950	6030
JAL	397	385	385	395
Japan Tobacco	9560a	9430a	9450a	9660a
Jusco	2090	2040	2070	2040
Kajima	427	410	410	428
Kansai Elec	2160	2140	2140	2170
Kao	1750	1720	1750	1740
Kawasaki Hvy	291	280	284	296
Kawa Steel	202	194	196	205
Kinki Nipp Ry	695	692	693	696
Kirin Brewery	983	965	965	977
Kobe Steel	117	115	116	117
Komatsu	720	702	707	720
Kubota	434	411	422	434
Kyocera	6260	6150	6200	6250
Kyushu Elec.	1920	1890	1900	1930
LTCB	230	205	215	240
Marubeni	295	276	279	300
Marui	2030	1960	1960	2040
Matsu Comm	3880	3800	3860	3910
Matsu Elec Ind	2000	1950	1970	2020
Matsu Elec Wk	1060	1040	1040	1050
Mitsubishi	1010	999	1000	1000
Mitsubishi Ch	249	240	240	246
Mitsubishi El	350	340	341	350
Mitsubishi Est	1520	1460	1490	1530
Mitsubishi Hvy	525	500	515	542
Mitsubishi Mat	441	425	425	435
Mitsubishi Tr	1580	1540	1540	1570
Mitsui	886	875	876	885
Mitsui Fudosn	1350	1290	1310	1370
Mitsui Trust	273	245	257	260
Murata Mfg	3950	3850	3850	4000
NEC	1370	1350	1360	1370
Nikon	1490	1420	1430	1480
Nikko Sec	413	395	400	416
Nintendo	13300	13100	13200	13200
Nipp Express	664	630	645	674
Nippon Oil	415	406	412	416
Nippon Steel	228	221	221	235
Nissan Motor	557	548	548	548
NKK	137	132	133	137
Nomura Sec	1610	1580	1590	1600
NTT	1090b	1070b	1070b	1080b
NTT Data	6380b	6320b	6370b	6370b
Oji Paper	528	500	508	538
Osaka Gas	295	280	291	287
Ricoh	1610	1590	1600	1580
Rohm	13100	13000	13000	12900
Sakura Bk	463	435	447	466
Sankyo	3250	3110	3140	3130
Sanwa Bank	1380	1340	1350	1370
Sanyo Elec	369	347	355	370
Secom	7900	7800	7850	7980
Seibu Rwy	5390	5300	5300	5510
Sekisui Chem	930	919	929	929
Sekisui House	976	876	879	920
Seven-Eleven	9060	8950	9000	9030
Sharp	888	861	867	896
Shikoku El Pwr	1880	1850	1860	1870
Shimizu	412	400	401	412
Shin-etsu Ch	3000	2950	3000	3000
Shiseido	1800	1770	1770	1790
Shizuoka Bk	1250	1230	1230	1250
Softbank	3100	2760	2900	3100
Sony	11500	11200	11400	11300
Sumitomo	832	815	818	827
Sumitomo Bk	1560	1510	1530	1560
Sumit Chem	426	413	414	426
Sumitomo Elec	1730	1700	1720	1730
Sumit Metal	262	245	250	264
Sumit Trust	830	770	790	850
Taisho Pharm	3260	3110	3110	3210
Takeda Chem	3720	3610	3630	3670
TDK	10800	10400	10600	10900
Tohoku El Pwr	1900	1870	1880	1890
Tokai Bank	675	652	658	675
Tokio Marine	1160	1120	1140	1190
Tokyo El Pwr	2270	2250	2260	2280
Tokyo Electron	5230	5050	5050	5150
Tokyo Gas	301	293	297	299
Tokyu Corp.	546	535	541	536
Tonen	929	915	915	920
Toppan Print	1700	1660	1670	1700
Toray Ind	607	596	600	608
Toshiba	557	532	543	581
Tostem	1480	1440	1480	1450
Toyo Trust	790	766	780	800
Toyota Motor	3670	3630	3630	3690
Yamanouchi	3240	3190	3210	3220

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6494.74 Previous: 6481.15

	High	Low	Close	Prev.
Abitibi Cons.	20.40	19.90	20.30	19.95
Alberta Energy	29	28.85	28.95	28.95
Alcan Alum	40.45	39.85	40.15	39.90
Anderson Expl	14.40	13.80	14	14.05
Bk Montreal	64.60	63.90	64.35	64.15
Bk Nova Scotia	65	64.70	64.80	64.80
Barrick Gold	23.30	22.60	22.85	23.40
BCE	45.80	45.10	45⅝	44.95
BC Telecomm	39¼	38.90	39¼	38½
Biochem Pharm	37.40	37.40	37.40	36¾
Bombardier B	29.65	29.10	29.30	29¾
Cameco	49.45	48.80	48.95	49½
CIBC	45.70	44.80	45	45
Cdn Natl Rail	73¾	71½	73.10	71.40
Cdn Nat Res	34½	33.20	33.45	33
Cdn Occid Pet	32.35	32	32.20	32.10
Cdn Pacific	42¼	41	41	41.40
Cominco	24.90	24.15	24.15	24.55
Dofasco	22.45	22.20	22.30	22.40
Domtar	10.30	10.15	10.30	10¼
Donohue A	25.30	25¼	25¼	25½
Du Pont Cda A	34.65	34¼	34.65	34½
EdperBrascan	25.90	25.45	25½	25.90
EuroNev Mng	14.90	14¼	14.60	15
Fairfax Finl	323	322	323	324
Falconbridge	18.15	17.65	17.90	17.95
Fletcher Chall A	19½	19¼	19¼	19½
Franco Nevada	25.40	24½	24.55	25
Gulf Cda Res	10.70	10.35	10.65	10½
Imperial Oil	84¼	83.85	84	83.45
Inco	27.10	26.80	27.05	26.90
IPL Energy	61¼	60½	61	60.85
Laidlaw B	19.20	18.85	19	19.20
Loewen Group	33.90	33.15	33.40	33.90
Macmill Bldl	15.65	15.45	15.45	15.55
Magna Intl A	92.85	92¼	92.85	91.45
Methanex	12.40	12.05	12.05	12.35
Moore	22.60	22¼	22.55	22.20
Newbridge Net	62.45	61.10	61.30	61.55
Noranda Inc	25.70	25.10	25.15	25½
Norcen Energy	16½	16.35	16.45	16.45
Nthern Telecom	135¼	133	135	132.70
Nova	13.30	13.15	13.15	13.15
Onex	30½	29.95	29.95	30
Pancan Petlm	23.65	23.40	23.45	23.65
Petro Cda	26.85	26¼	26.55	26.35
Placer Dome	16.40	15.65	15.85	16.80
Poco Petlm	12.40	12.20	12.30	12.20
Potash Sask	117	115¼	115¼	116
Renaissance	30	29¼	29.35	29.95
Rio Algom	26½	26	26.30	26¼
Rogers Cantel B	15¼	15	15.05	15.40
Seagram Co	45.70	45.40	45½	45½
Shell Cda A	26.70	25.40	26.15	25.40
Suncor	46¼	46.35	46.35	46.40
Talisman Eny	44½	43	44¼	43
Teck B	20¼	19.90	20.15	20.35
Teleglobe	48	47.85	47.85	48
Telus	31.20	30.95	31.20	31.15
Thomson	38.60	37.85	38.45	38
TorDom Bank	53.20	52½	52.85	52.90
Transalta	20¾	20.55	20.65	20.70
TransCda Pipe	31¼	31	31.05	31.05
Trimark Finl	71¼	70.35	70¼	70.35
Trizec Hahn	35.15	34.95	35	35.05
TVX Gold	3½	3.30	3.35	3.40
Westcoast Eny	32.95	32.70	32.80	32.70
Weston	112¼	111.20	112	111¼

Vienna
ATX index: 1304.86 Previous: 1295.92

	High	Low	Close	Prev.
Boehler-Uddeh	836	817.10	819.50	827
Creditanst Pfd	650	630	649	636.10
EA-Generali	3150	3020	3130	3050
EVN	1627.95	1621	1625	1620
Flughafen Wien	515	509	511	510
OMV	1775	1720	1762.10	1711
Oest Elektriz	1015	1003	1010	1008
VA Stahl	528.50	502	524	505
VA Tech	2010	1935	2006	1928
Wienerberg Bau	2509	2470	2498	2484

Wellington
NZSE-40 index: 2392.38 Previous: 2391.94

	High	Low	Close	Prev.
Air N Zeald B	3.45	3.35	3.45	3.35
Brierly Invt	1.25	1.23	1.23	1.24
Carter Holt ord	2.62	2.50	2.50	2.57
Fletch Ch Bldg	4.70	4.60	4.65	4.70
Fletch Ch Eny	6.60	6.52	6.52	6.55
Fletch Ch Forst	1.56	1.53	1.55	1.52
Fletch Ch Paper	2.46	2.40	2.40	2.43
Lion Nathan	3.88	3.86	3.87	3.85
Telecom NZ	8.85	8.75	8.83	8.79
Wilson Horton	10.50	10.50	10.50	10.40

Zurich
SPI index: 3741.48 Previous: 3717.32

	High	Low	Close	Prev.
ABB B	1938	1922	1936	1926
Adecco B	425.50	421.50	423.50	421.50
Alusuisse R	1373	1350	1358	1346
Ares-Serono B	2480	2460	2475	2445
Atel R	810	810	810	820
Baer Hdg B	2420	2374	2415	2370
Baloise Hdg R	2648	2620	2640	2620
BK Vision	1374	1350	1350	1362
Ciba Spec Chem	162	159.75	160.25	158.75
Clariant R	1192	1182	1191	1183
Crd Suisse Gp R	218.75	215	217	214.50
Elektrowatt B	550	548	550	549
Ems-Chemie	7035	6950	7000	7015
ESEC Hdg	4000	3900	3945	3979
Holderbank B	1278	1258	1275	1267
Liechtenst LB B	564	560	564	561
Nestlé R	2137	2121	2136	2121
Novartis R	2350	2325	2334	2318
Oerlikon Buehr R	205	200.75	201.75	203
Pargesa Hld B	1800	1770	1795	1790
PharmaVisn B	864	851	860	856
Richemont A	1650	1635	1648	1681
Pirelli PC	311	305	311	310
Roche Hdg PC	13470	13120	13410	13040
SBC R	450	431	431	440
Schindler PC	1695	1675	1685	1700
SGS B	2630	2535	2630	2550
SMH B	838	815	838	806
Sulzer R	980	950	970	957
Swiss Reins R	2390	2360	2378	2379
SAir Group R	2000	1973	1988	1964
UBS B	1936	1880	1891	1914
Winterthur R	1600	1550	1550	1560
Zurich Assur R	632	623	628	619

The Trib Index

Prices as of 3.00 P.M. New York time.

Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	173.21	+0.55	+0.32	+16.13
Regional Indexes				
Asia/Pacific	99.03	−1.35	−1.34	−19.77
Europe	192.10	+1.70	+0.89	+19.17
N. America	218.38	+0.50	+0.23	+34.83
S. America	152.03	+1.34	+0.89	+32.86
Industrial Indexes				
Capital goods	215.88	−0.73	−0.34	+26.30
Consumer goods	208.27	+0.79	+0.38	+29.02
Energy	194.37	−0.63	−0.32	+13.86
Finance	122.46	+0.81	+0.67	+5.15
Miscellaneous	157.40	+1.01	+0.65	−2.70
Raw Materials	172.01	+0.17	+0.10	−1.92
Service	174.67	+1.06	+0.61	+27.20
Utilities	166.15	+2.39	+1.46	+15.82

The International Herald Tribune World Stock Index © tracks the U.S. dollar value of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. *Compiled by Bloomberg News.*

هكذا من الاهلي

NASDAQ

Thursday's 4 P.M.

The 1,000 most traded National Market securities in terms of dollar value, updated twice a year.

The Associated Press.

NYSE

Thursday's 4 P.M. Close

(Continued)

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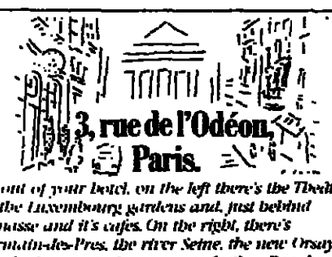

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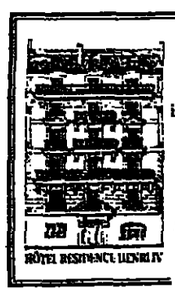

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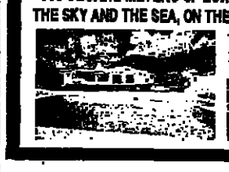

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ASIA/PACIFIC

Singer to Shed 6,000 Jobs in Restructuring

Compiled by Our Staff From Dispatches

NEW YORK — Singer Co. said Thursday that it would eliminate nearly 6,000 jobs, or 28 percent of its work force, and close an undisclosed number of plants and retail outlets in a move to become more competitive.

The sewing-machine maker announced the job cuts after it named Stephen Goodman as its new chief executive and president.

Singer, which is based in Hong Kong, also said it expected to take a charge of $186 million against pretax earnings in the fourth quarter, with most of that going for severance costs associated with plant closings and the rest reflecting asset write-downs.

Singer's share price was at $13.50 a share in late Thursday trading on the New York Stock Exchange, up $2.1875.

In his first move as chief executive, Mr. Goodman announced that Singer was eliminating 5,531 jobs in manufacturing and 437 in marketing.

He said the company would also shift sewing-machine manufacturing to lower-cost locations and would close excess manufacturing capacity and some unprofitable retail outlets.

Mr. Goodman, a former Singer executive who has more recently worked for Bankers Trust New York Corp., succeeds Iftikhar Ahmed, who had been president since Singer went public in 1991.

Chairman James Ting said Mr. Goodman was appointed "because we are not satisfied with Singer's performance and we are unhappy with its share price."

Singer said the restructuring program would reduce its cost base by $104 million a year when fully implemented within three years. Improved inventory management is expected to contribute a further $105 million over the next three years.

The company also plans to generate $200 million after taxes that can be used to pay for the restructuring by selling land and buildings at the plants to be closed.

"Dramatically lowering manufacturing costs is clearly the first step in revitalizing Singer and making the company more competitive," Mr. Goodman said.

Singer will integrate its sewing-machine production operations with those of G.M. Pfaff AG of Germany. Singer said last month that it would pay $157.5 million to buy an 80.5 percent stake in Pfaff from Semi-Tech (Global) Ltd. of Hong Kong.

Mr. Goodman said Singer expected to report income before the restructuring charge of $21 million for 1997. It posted a profit of $29 million in 1996. *(AP, Reuters, Bloomberg)*

Thai Firm Approves Bid By WestLB

Agence France-Presse

BANGKOK — Senior creditors and directors of Finance One PCL approved a plan Thursday by Westdeutsche Landesbank Girozentrale of Germany to inject $71 million into Thailand's former leading finance company.

The deal, which would give WestLB a 26 percent stake in Finance One, would be the first under which a foreign bank has taken a stake in one of Thailand's battered finance firms and could herald other such rescues, analysts said.

Finance One's board of directors was suspended June 27 as the finance company staggered under massive bad debts.

A government agency is due to announce Monday the fate of 57 other insolvent lenders.

WestLB is to invest $21 million in new capital directly into the firm and provide the other $50 million in the form of a standby facility. A further $29 million of Finance One debentures would be converted to equity under the deal.

The decision by Finance One's senior creditors to support the WestLB bid would appear to scuttle a drive by another foreign bank, Credit Suisse First Boston, to take a stake in the company.

The deal, if successful, also could clear the way for other foreign banks to invest in the ailing finance sector.

"I think, leading by example, we will see other foreign banks investing in Thai finance companies," said Klaus Gerritzen, senior vice president of WestLB.

Tsugufumi Matsumoto/The Associated Press

FOCUSED BUYER — A customer in Tokyo perusing Kodak and Fuji Photo wares Thursday. A World Trade Organization ruling is expected Friday on Kodak's trade battle with Fuji in Japan.

Honda Overtakes Nissan in Domestic Sales

Bloomberg News

TOKYO — For the first time in its 49-year history, Honda Motor Co. can make a claim to being Japan's second-largest automaker, after Toyota Motor Corp., according to figures released Thursday.

In November, Honda, from third place, overtook Nissan Motor Co. to sell more vehicles in Japan.

Honda sold 74,706 autos in its domestic market in November, 4.3 percent more than Nissan's 71,593 units.

Chris Redl, analyst at ING Baring Securities (Japan) Ltd., said that if Honda continued to manage its business as astutely as it has so far — focusing on small, recreational vehicles that have fared well in a difficult market — it could take over the No. 2 place for the year.

Nissan and Toyota "are on their knees, while Honda keeps stuffing cash into its pockets" Mr. Redl said.

"Honda is having difficulty selling midsized cars, so it's been raising the production of smaller cars," said Peter Boardman, analyst at UBS Securities Ltd.

Honda's global sales lag Nissan's, but they have been catching up steadily.

In the year to March 1997, Honda's global sales rose 33.5 percent, to 5.29 trillion yen ($41.12 billion), compared with the same period two years earlier.

Nissan's global sales improved 14.1 percent, to 6.66 trillion yen, over the same period.

Honda's domestic market share, by unit sales, is up 1.2 percentage points over its 1996 share, to 11.1 percent for the year to date, Mr. Redl said.

Nissan's share has stayed flat at 15.6 percent, he said, while Toyota's has fallen 2.9 percentage points to 32.4 percent.

Hanoi to Sign Pact to Cut Debt in Half

Compiled by Our Staff From Dispatches

HANOI — Vietnam plans to sign an agreement Dec. 16 that would wipe out more than half of its long-term debt to commercial banks and remove the last obstacle to its borrowing on international financial markets, the State Bank of Vietnam said Thursday.

The deal will involve rescheduling $851.9 million of principal and interest owed to the group of private creditors known as the London Club. The so-called Brady bond deal, which would spread repayment over 31 years, involves rescheduling at least 93 percent of Vietnam's debt incurred before 1989, most of which is owed to Japanese banks. Brady bonds are dollar-denominated securities created from debt restructurings in the early 1990s.

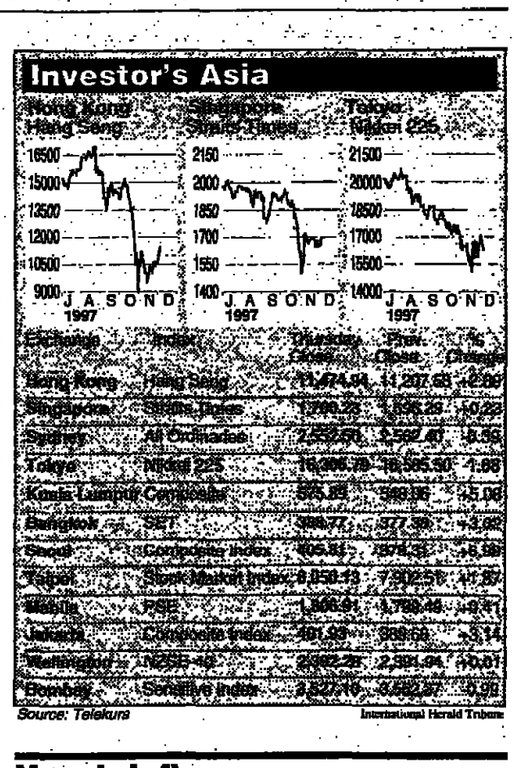
"This basically cleans up an old problem in the background and helps restore Vietnam to credibility in international capital markets," said Rollo Prendergast, director of Investment Banking at ANZ Bank in Hong Kong, which managed the package.

The State Bank said the package entailed a gross debt reduction of about 53.9 percent, the highest debt-reduction percentage in Brady-style restructurings to date. Most creditors taking part in the restructuring package chose to swap old debt for 30-year Brady bonds, which are backed by U.S. Treasury securities.

In the first 10 years, Vietnam's average debt service, which until now has been zero, will be $31.5 million annually. It will rise to $47.4 million annually in the following nine years before falling to $18.4 million in the final 12 years.

The central bank also said it would not yield to pressure to devalue the currency in the short term. "We'll have to adjust it if necessary, but not now, and not in the near future," said Le Duc Thuy, deputy governor of the State Bank of Vietnam. The country is under pressure to devalue the dong, which is not freely convertible, to keep its exports competitive with those of countries such as Thailand and Indonesia whose currencies have tumbled against the dollar this year.

Trading in the dong on local currency markets has stopped in recent days amid mounting expectations that a new exchange rate is imminent. The government rate for the dong is currently 11,175 to the U.S. dollar, and it recently traded at 12,293. *(AFP, Bloomberg)*



Very briefly:

• **Jiangling Motors Corp.**, one-fifth owned by **Ford Motor Co.**, said its profit would be helped after the government granted it a tax holiday, "but only to a certain extent." Liu Donggui, an official in Jiangling's securities department, said, "Our earnings are also determined by other factors."

• **People's Bank of China** will make public, both in China and abroad, information that now is circulated only within the banking system, the China Securities newspaper reported. Information pertaining to monetary policies, regulations, decisions and financial statistics is to be published by the National News Publishing Office starting next year.

• **Mitsubishi Motors Corp.** of Japan is to supply low-emission engines to the Malaysian national car maker **Perusahaan Otomobil Nasional Bhd.**, known as Proton, beginning in 2000, the Nihon Keizai Shimbun reported. Mitsubishi is to export 20,000 to 30,000 of its direct-injection engines in 2000, with shipments expanding to 100,000 units by 2003.

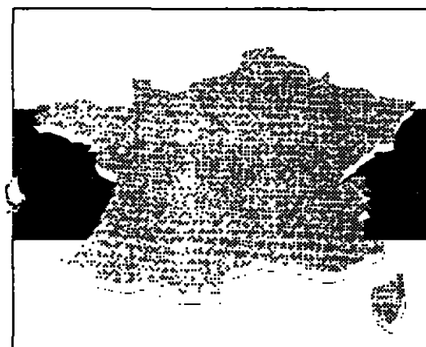
• **Daiwa Securities Co.** shares fell 7.2 percent on speculation that the Finance Ministry was investigating Japan's second-largest brokerage for possible hidden losses from illegal trading practices. The shares closed at 410 yen ($3.18), down 32.

• **Toyota Motor Corp.** agreed to take part in a Chinese project to test and evaluate the use of electric vehicles. The test will involve the use of 30 such vehicles in Shantou in Guangdong Province and the neighboring island of Nanao from next spring through 2000.

• **Samsung Group** of South Korea will lay off as many as 1,110 employees, or 37 percent of the work force, at its U.S. computer subsidiary, **AST Research**, between now and March 1998.

• **Interbrew SA**, a Belgian brewer, bought an 80 percent stake in **Nanjing Brewery**, its second brewery in China.

• **India's** stock markets have seen a net withdrawal by overseas investors of about $150 million during the country's current political crisis, the Securities and Exchange Board of India said, adding that foreign institutional investors had pulled out $148.7 million in November. *Bloomberg, AFP, Reuters*



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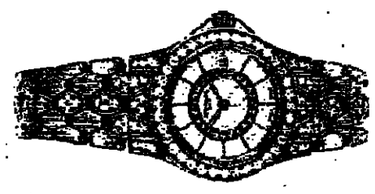

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Exotic-Market Craze Is Cited in Asian Crisis

Report Blames Investors' Disregard of Risks

By Paul Blustein
Washington Post Service

NEWS ANALYSIS

How refreshingly candid. Right in the middle of the financial crisis afflicting South Korea, Thailand and other Asian countries, an organization representing the world's biggest international investors has issued a report saying, in effect, that investors committed gross misjudgments in pouring money into emerging markets over the past couple of years — and that their exuberance contributed to Asia's current predicament.

The report was released Tuesday by the Institute of International Finance, a Washington-based group whose members include large banks, brokerage firms and financial-services companies from all over the world. The analysis depicts these sorts of companies as showing little regard for risk as they snapped up investments in Asia, Latin America, Eastern Europe and other emerging markets after the 1995 Mexican peso crisis.

Because enthusiastic investors got "carried away," as the institute's chief economist, William Cline, put it, their panicky withdrawal from emerging markets in the past three months had particularly severe effects.

The study's principal finding was that once the shock of the peso crisis subsided, a dramatic decline ensued in the "spread" between the yield on emerging-market securities and the yield on U.S. Treasury securities — a decline with little economic justification.

To understand what that means, imagine you have a choice between buying a two-year U.S. Treasury bond — one of the world's safest investments — and a two-year bond issued by a country such as Argentina, Poland or Malaysia. You presumably would insist on substantially higher interest payments on the bond from the emerging market than on the Treasury bond, to compensate for the higher risk that the country might fail to make interest or principal payments because of problems such as a collapse in its currency.

But big institutional investors in rapidly growing developing countries weren't so clever as to demand comfortable spreads over the past couple of years. Indeed, in April 1997, shortly before the Asian crisis erupted in full force, they were so eager to participate in the emerging-market boom that, according to the institute, they were accepting average yields of just 1.17 percentage points above Treasuries on bonds in 14 major emerging markets, down from a premium of 3.27 percentage points in October 1995.

The ensuing crisis has forced the spread to widen significantly, of course, to about 2.60 percentage points in October 1997. "This study clearly suggests that some of the recent volatility in emerging markets may have been due not only to the realization that economic policies in some of the countries were unsustainable but to the fact that market spreads declined too far too fast," the institute's managing director, Charles Dallara, said.

It is impossible to say whether spreads narrowed too much in 1997 or whether they were too wide to begin with in late 1995. But the study, using sophisticated analyses, concluded that "spreads fell much further than can be explained by changes in economic fundamentals," Mr. Cline said.

For example, the authors analyzed whether investor enthusiasm could be attributed to improvements in countries' credit ratings or economic indicators such as their debt-to-export ratios — and found that it couldn't.

Why did investors fail to recognize that many of their favorite emerging markets were borrowing too much, overinvesting in real estate and ambitious industrial projects, and letting their banking systems get into trouble?

"Part of it is the dynamics of competition," Mr. Cline said. "Over the past year, market participants were aware that emerging-market spreads were too thin, but they were also concerned about market share and being players over the long term, so an internal dynamic tended to push things along."

The report evokes memories of the widely publicized accusations by Prime Minister Mahathir bin Mohamad of Malaysia that evil foreign-currency speculators were responsible for laying low Asia's so-called tiger economies.

The study and Mr. Dallara's remarks can be interpreted as implying that financial-market players do deserve some of the blame for what happened, although for entirely different reasons than those cited by Mr. Mahathir. Rather than conspiring to keep Asians poor, as Mr. Mahathir theorized, investors were evidently guilty of excessive willingness to make them rich, and that led to grief when they rushed for the exits en masse last summer.

Some politicians and officials may conclude from all of this that they ought to restrict the inflow of capital into their countries. But Mr. Dallara and Mr. Cline contend that such controls usually don't work and that a better solution is to ensure that economic policies are sound so that investor confidence remains relatively high even during a broader crisis, as it has in Singapore, for example.

"We should avoid putting these events in some sort of 'Star Wars' mentality, with good guys and bad guys," Mr. Dallara said. "Poor economic policy decisions were made in some countries, and, to some extent, the markets financed those policies. The point is, severe adjustments will need to be made now in these countries' economies."

Thanlaya Khaikaew/The Associated Press

EVERYTHING MUST GO — A Buddhist monk examining a second-hand Mercedes-Benz for sale at a cut-rate price. As the country's economic turmoil worsens, many Thais are selling their belongings to earn cash.

INTEL: *Looser Partnership?*

Continued from Page 15

business development in the network computing software division, said IBM was helping to make it "operating-system agnostic," meaning that "many vendors can participate."

Executives from Microsoft and Intel play down any differences. Intel has long worked with companies other than Microsoft, Mr. Gelsinger pointed out. "We haven't met a piece of software we don't like," he said.

But in the past, Intel has not conscientiously worked with each software vendor to make sure the software supports all the features of every chip. Partly, that has been because its work with Microsoft has largely served Intel's most important customers — PC users.

"Here we're saying, 'Boy, this is a new market,'" Mr. Gelsinger said. As a result, Intel is working harder with a broader collection of software companies.

Similarly, Microsoft executives say they are willing to work with Intel, as they have in the past.

They simply want to make sure the new devices will do a good job of running their software.

"We're going to review the specifications that they'll put out and work with Intel to make sure it's a great way to run Windows-based terminals," said Jonathan Roberts, director of product marketing for Windows. "The reality is that 90 percent of the network computers are used to run Windows applications."

Mr. Roberts explained Microsoft's future strategy this way: "It's absolutely true that what we perceive to be a PC will change dramatically over the coming years.

"It's Microsoft's belief that people will still want those devices to work together, to share information. Our strategy is to make Windows the common link between those."

RESCUE: *IMF Plan Could Set Bad Precedent*

Continued from Page 15

tious, reducing bank failures and the need for bailouts.

Robert Hormats, a vice president of Goldman Sachs, argues that developing countries should adopt capital controls, dictating how loans can be dispersed, particularly those from abroad. That, too, could force lenders to be more cautious.

Henry Kaufman, an economist and money manager, says a new layer of international supervision is needed to set lending standards and supervise the process. "There is simply no effort today to manage global liquidity," he said.

A national bailout is the only tool readily available today to reverse financial crises that a government cannot handle on its own.

These crises are almost always rooted in the unrealistic view of lenders and borrowers that they will profit. When those profit hopes were dashed in Thailand and in South Korea in recent months, devaluations, bankruptcies and bank failures followed.

The IMF will feed the $55 billion that has been set aside for South Korea to the country in stages. The money will go to the Ministry of Finance or the central bank, where it will augment government funds. The additional funding may help restore confidence in the country and stabilize the slide in its currency and other financial markets.

Or it may be used to solve the banking crisis. A South Korean bank, for example, may have made a five-year $100 million loan to an auto company, which has defaulted. The bank may have gotten its funds from $100 million in six-month loans from American and Japanese banks.

As long as the South Korean economy seemed sound, even booming, the foreign banks were willing to roll over these short-term loans. Indeed, they were eager to do so because they were lending to Korean banks at much higher rates than they would charge domestic customers.

But in the current crisis, the American and Japanese banks, fearful of losing their money, want quick repayment. And new lending from abroad dries up.

With the IMF bailout, the foreign banks may choose to roll over their loans, expecting that, in time, they will be repaid in full. That happened in Mexico. The $48 billion that was made available to the country, $20 billion of it from the United States, reassured most foreign investors and they left their money in place. But the big Mexican debtor was the government, while in Asia's crisis, the private sector owes the money.

If the foreign banks insist on quick repayment, the South Korean government can do this as well, with its newfound money. Or the process can be less direct. The Ministry of Finance can buy from the Seoul bank the bad loans. The Seoul bank, in turn, buys foreign currency with the proceeds and repays the American and Japanese banks.

A similar reimbursement process functions for Korean depositors whose money has gone to bad loans. The Korean government can replenish the deposits, in whole or in part, by buying up the bad loans, using general funds to do so. In this case, the IMF bailout adds to the government's available funds.

But for Joseph Stiglitz, chief economist at the World Bank, the bailout solution is unlikely to deter the unrealistic lending practices. "To the extent that private investors who made bad decisions are bailed out," he said Monday, "their incentives will be distorted, exacerbating the problems governments face in trying to stabilize capital flows."

This announcement appears as a matter of record only.

KfW International Finance Inc.

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November 1997

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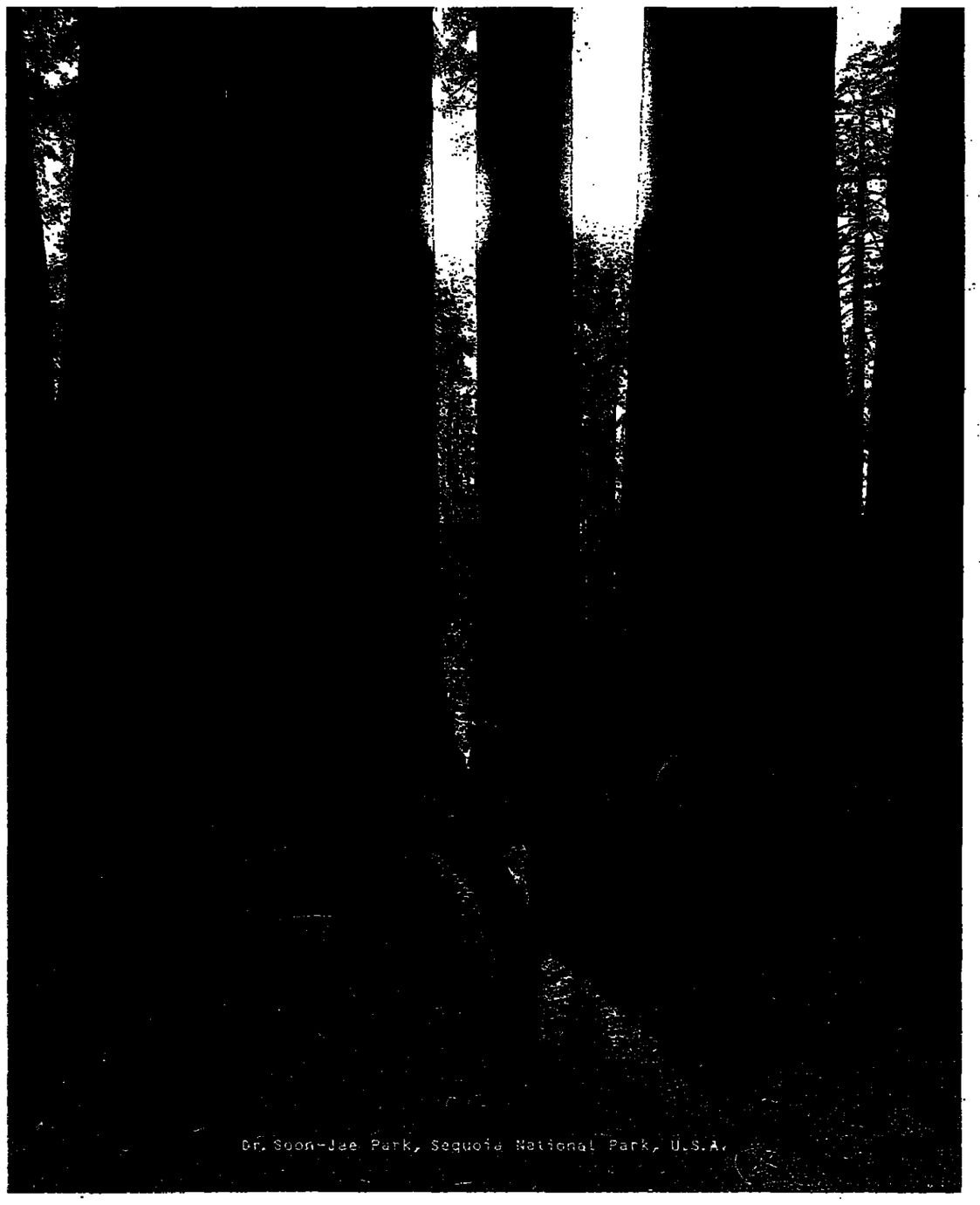

Dr. Soon-Jae Park, Sequoia National Park, U.S.A.

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Now, what can we do for you?

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RICH: *By the Millions*

Continued from Page 15

nothing like the possibility of millionairehood to get you motivated. But the options that motivate employees dilute the stakes of existing holders. If Microsoft were to issue today all the 259 million shares for which its employees have options, the existing holders' stake in the company would drop to about 83 percent from 100 percent. This is known as dilution. And dilution tends to be bad for your stock price.

To keep dilution as low as possible, Microsoft buys shares at today's high price in the market and reissues them at low option prices to employees.

This game gets pretty expensive. In the three months that ended Sept. 30, Microsoft spent $913 million buying its own shares — more than it spent on sales and marketing ($788 million), research and development ($567 million) or any other single cost item.

Microsoft goes through various contortions to offset some of this cost. My favorite is its sales of options that give people the right to sell stock to Microsoft at a fixed price on a fixed day.

These "put" options, sold to outsiders, are totally different from the options that employees get. The people buying puts are betting that Microsoft's stock price will fall. The employees with options are betting the price will rise. Through June 30, the company had raised $270 million by selling puts that have expired. The company keeps the money tax-free.

صكذا من الأصل

Nice to meet you!

Styrenix

The name may be new, but our experience and expertise go back many years. Styrenix Kunststoffe GmbH & Co. KG is the polystyrene business of the Hüls Group. As a separate company, we're market-oriented, faster in product development and flexible in meeting customers' needs. Our aim? To become a top supplier in our market.

Hüls AG, the chemicals subsidiary of VEBA, has given *us both a good foundation for growth and access to* its financial resources. In addition, we have an attractive, competitive product line built on our core business of polystyrene and polystyrene foam, a team 500 strong and a turnover of DM 550 million – ideal conditions for global success.

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WORLD ROUNDUP

AFP

Iva Majoli on the way to a 6-3, 7-5 victory Thursday over Irina Spirlea in the Masters of Champions event in Frankfurt.

Something in the Tea?

CRICKET India lost its last seven wickets for 46 runs in just over an hour after tea on Thursday as its first innings ended at 512 in the third and final test against Sri Lanka in Bombay. Sachin Tendulkar and left-hander Saurav Ganguly, the two overnight batsmen, both hit centuries.

• South Africa captain Hansie Cronje complained about crowd behavior after his players were pelted with missiles Thursday during the World Series one-day international against Australia. Golf balls, glass bottles and pieces of chicken were hurled over the boundary fence at the Sydney Cricket Ground.

South Africa won the match by 67 runs. It made 200 all out in its 50 overs and then dismissed Australia for 133 in 38 overs. *(Reuters)*

Something in the Water?

SWIMMING Vladimir Pyshnenko, a member of the Russian relay team that set a world record in the 1992 Barcelona Olympics, and two others tested positive for steroids, the country's swimming federation said.

Pyshnenko, Natalia Meschерjakova and Olga Kochetkova were barred by the federation from the world the championships in Australia next month. *(AP)*

Williams for Grambling

COLLEGE FOOTBALL Doug Williams, the former NFL quarterback, will return to his alma mater, Grambling State University, as football coach. Williams played for the university under coach Eddie Robinson who retired this week.

Williams coached Morehouse College in Atlanta this season. His team finished 3-8 this season, the same record as Grambling's. *(AP)*

White Sox Pick Manuel

BASEBALL The Chicago White Sox hired Florida Marlins bench coach Jerry Manuel as manager Thursday, replacing Terry Bevington, who was dismissed after a disappointing season.

Manuel never has managed at the major league level. He managed AAA Indianapolis in 1991 and AA Jacksonville in 1990. *(AP)*

Nelson Replaces Cleamons

BASKETBALL Ross Perot Jr., the owner of the Dallas Mavericks, fired coach Jim Cleamons on Thursday and replaced him with the club's general manager, Don Nelson. Cleamons was fired after the Mavericks lost 12 of their last 13 games. He is the first NBA coach to lose his job this season. *(AP)*

World Cup Groupings Draw Mixed Reactions

Champion Brazil Starts With Confidence

Compiled by Our Staff From Dispatches

MARSEILLE — The coaches of World Cup finalists gathered Thursday to discover what they would be dealt by the hand of fate, as represented by Sepp Blatter of FIFA, the governing body of world soccer. Their reactions varied from the highly sanguine to the deeply pessimistic.

"I am confident Brazil will win the group, but it's interesting to be drawn with Norway. They are the only team to have beaten us since we won the World Cup in 1994. I know nothing about this current Scottish side. I will have to get a video and have a look at them."

— Mario Zagallo, coach of Brazil.

"We're satisfied with our opponents, but not delighted. Croatia could surprise anyone, Japan are a dynamic team we respect, and we know nothing at all about Jamaica except that they have a Brazilian coach and play football well."

— Daniel Passarella, Argentina.

"I am delighted with the draw, which has delivered us the teams we wanted. I expect us to get through the first stage of the competition."

— Slobodan Santrac, Yugoslavia.

"I knew there wouldn't be any easy matches in the World Cup finals, so I didn't mind which group we ended up in. But I feel very pleased to be facing such strong teams as Argentina, Croatia and Jamaica." — Takeshi Okada, Japan.

"The United States, Yugoslavia and Iran are good sides. We know them well and know what lies ahead of us."

— Berti Vogts, Germany.

"We haven't been lucky. Our group is one of the toughest."

— Javier Clemente, Spain

" They're all tough games. It could have been a lot better, and it could have been worse. Romania are an experienced side, but they are aging, and I have a young side. I'm not too disappointed."

— Glenn Hoddle, England.

"We'll have to wait and see what happens on the pitch, but I think it's a good draw." — Cesare Maldini, Italy.

"Group D is the hardest group of the lot, whereas France's Group is the easiest."

— Boris Mihailov, Bulgaria goalie

"It is really a very good draw for us. I feel confident we can reach the next stage and perhaps play England."

— Miroslav Blazevic, Croatia.

"France's group is relatively easy. We have ample opportunity to qualify for the second round. Group D with Nigeria, Spain, Bulgaria and Paraguay is a real killer."

— Michel Platini, ex-French captain and co-president of the organizing committee.

"Our group is the most difficult. We have had no luck." — Adalbert Kassay, Romanian Federation secretary general.

"It's curious. As I flew to Marseilles from Brussels, I thought it could just happen that we meet each other. It is very curious."

— Guus Hiddink, Netherlands.

The Dutch and Belgians were in the same qualifying group for France and the same first-round group in the United States in 1994, when Belgium won 1-0. *(AFP, AP)*

SOCCER: *Matchups Made for World Cup*

Continued from Page 1

Some 35 billion cumulative television viewers are expected to watch the monthlong tournament next summer. One official of soccer's governing body, with perhaps just a little exaggeration, on Thursday called the World Cup "the single most important event for the human race in the coming year." The preparations have been marked by various controversies, the most recent over whether the yellowing grass at the Stade de France is suffering from pollution, as environmental groups say, or just from winter, as the stadium's builders and owners say.

A fuss involving an American sponsor was resolved this week when Anheuser-Busch, brewer of Budweiser beer, agreed to sell its on-field advertising boards to a watchmaker, Casio Computer Co. The sale, for an undisclosed amount, came because French law bans the advertising of alcohol on playing fields.

Anheuser-Busch was aware of the law when it signed on as a sponsor, but hoped to win an exemption from the French government. It appeared to be making headway with the center-right government when unexpected elections last spring brought the Socialists to power.

The new sports minister, from the Communist Party, was not interested in exceptions for American beer. Anheuser-Busch said it would continue to be a sponsor in every other way.

The draw was watched by an estimated 500 million television spectators and 38,000 chilly Marseillais. Prime Minister Lionel Jospin was among the dignitaries in attendance.

The draw was marred by a bus drivers' strike, which did not keep dignitaries or spectators from getting to the field but enhanced France's reputation as one of Western Europe's strike capitals.

Few here Thursday have forgotten that the draw in Paris for the qualifying rounds in December 1995 took place amid a strike that virtually shut down public transit.

Before the draw, an all-star team from Europe was soundly beaten by a similar team from everywhere else, 5-2.

WORLD CUP FIRST ROUND

GROUP A
Brazil vs. Scotland, Paris-Stade de France, June 10
Morocco vs. Norway, Montpellier, June 10
Brazil vs. Morocco, Nantes, June 16
Scotland vs. Norway, Bordeaux, June 16
Brazil vs. Norway, Marseille, June 23
Scotland vs. Morocco, St Etienne, June 23

GROUP B
Italy vs. Chile, Bordeaux, June 11
Cameroon vs. Austria, Toulouse, June 11
Italy vs. Cameroon, Montpellier, June 17
Chile vs. Austria, St Etienne, June 17
Italy vs. Austria, Paris-Stade de France, June 23
Chile vs. Cameroon, Nantes, June 23

GROUP C
France vs. South Africa, Marseille, June 12
Saudi Arabia vs. Denmark, Lens, June 12
France vs. Saudi Arabia, Paris-St. de France, June 18
South Africa vs. Denmark, Toulouse, June 18
France vs. Denmark, Lyon, June 24
South Africa vs. Saudi Arabia, Bordeaux, June 24

GROUP D
Paraguay vs. Bulgaria, Montpellier, June 12
Spain vs. Nigeria, Nantes, June 13
Spain vs. Paraguay, St Etienne, June 19
Nigeria vs. Bulgaria, Paris-Parc des Princes, June 19
Spain vs. Bulgaria, Lens, June 24
Nigeria vs. Paraguay, Toulouse, June 24

GROUP E
Netherlands vs. Belgium, Paris-St. de France, June 13
South Korea vs. Mexico, Lyon, June 13
Netherlands vs. South Korea, Marseille, June 20
Belgium vs. Mexico, Bordeaux, June 20
Netherlands vs. Mexico, St Etienne, June 25
Belgium vs. S. Korea, Paris-P. des Princes, June 25

GROUP F
Yugoslavia vs. Iran, St Etienne, June 14
Germany vs. U.S., Paris-Parc des Princes, June 15
Germany vs. Yugoslavia, Lens, June 21
United States vs. Iran, Lyon, June 21
Germany vs. Iran, Montpellier, June 26
United States vs. Yugoslavia, Nantes, June 25

GROUP G
Romania vs. Colombia, Lyon, June 15
England vs. Tunisia, Marseille, June 15
Romania vs. England, Toulouse, June 22
Colombia vs. Tunisia, Montpellier, June 22
Romania vs. Tunisia, Paris-St. de France, June 26
Colombia vs. England, Lens, June 26

GROUP H
Argentina vs. Japan, Toulouse, June 14
Jamaica vs. Croatia, Lens, June 14
Japan vs. Croatia, Nantes, June 20
Argentina vs. Jamaica, Paris-P. des Princes, June 21
Argentina vs. Croatia, Bordeaux, June 26
Japan vs. Jamaica, Lyon, June 26

Eric Gaillard/Reuters

Antony De Avila, right, playing for the Rest of the World team, scoring past Europe's goalkeeper, Andreas Koepke, in a match played in Marseilles before the draw for the World Cup finals. Eu rope lost, 5-2.

TOBACCO: *EU's Ban on Advertising to Take Effect Over 8 Years*

Continued from Page 1

tries PLC recently announced that it would take over the Tyrrell Formula One team.

Cars are zooming billboards for cigarette brands, seen in hundreds of millions of homes around the world.

With an increasing number of countries banning television advertising of tobacco products, the racing industry is the most effective medium for the cigarette makers to put their message across.

A U.S. anti-smoking campaigner, Alan Blum, examined a television broadcast of one Grand Prix race and found that one tobacco sponsor's logo appeared on the screen almost 6,000 times.

At the Brussels meeting, the German health minister, Horst Seehofer, said it was "blatantly contradictory" for the EU to be banning tobacco advertising while subsidizing tobacco growers by more than $1 billion a year. He also said it made no sense to ban tobacco advertisements in newspapers and magazines while allowing sweeping exemptions for sports.

For a variety of reasons, Germany, Greece, Austria and Denmark said they would vote against the proposals or abstain, while Italy said the measures did not go far enough.

The European Commission had been seeking the ban since 1989, arguing that present disparities in legislation among member countries were an impediment to Europe's single market. The executive body also based its position on a treaty requirement for it to ensure a high level of health protection.

Advertising experts say the association of tobacco and auto racing, with its feats of derring-do and hero drivers, is a potent means of persuading young people to take up smoking, to replace the estimated 300 people who die of tobacco-related diseases in the EU every day.

Television advertising of tobacco products already is banned across the EU. The proposed new directive aimed at restricting advertising to point of sale. It also sought to ban products, such as clothing, displaying tobacco companies' logos.

Commission officials were initially cheered by the election of a Labour government, believing it would give them the best chance in years to curb tobacco ads. The officials now say they are deeply disappointed in the government's about-face, a view widely shared in Britain.

"Members of the present government crucified the previous administration for failing to do anything about tobacco advertising," the chairman of the British Medical Association, Sanjiv Macara, said recently. "They said how different it would be when new Labour came to power. A lot of us feel betrayed by the government's failure to honor its pledge."

Unlike the representative of other sports that would have been hit by a sponsorship ban, Mr. Ecclestone met personally with Mr. Blair to argue his case. He was quoted as saying that a ban would cost Britain 50,000 jobs, although this figure seems to have undergone no rigorous analysis.

Sabres' Hasek Holds Off Ducks, 4-0

The Associated Press

All of a sudden, the season is turning around for Buffalo goaltender Dominik Hasek.

"It's been a process to get him going," coach Lindy Ruff said Wednesday night after the Sabres routed the Anaheim Mighty Ducks, 4-0, behind Hasek's 29-save performance.

Hasek, last season's most valuable player in the NHL, had a rough start this season with a 4-7-2 record and an inflated goals-against average. But he seems to finally be rounding into form after being benched for one game by Ruff on Nov. 15.

Hasek is 3-3-2 since the benching. Even better, he has a 2.24 goals-against average.

"I feel pretty comfortable," said Hasek, who played in his 300th NHL game.

Miroslav Satan scored two goals, while Donald Audette and Brian Holzinger added power-play goals for the Sabres.

After Buffalo took a 2-0 lead, the Sabres' penalty-killers and Hasek held off Anaheim during two power plays, one a four-minute advantage early in the second period. Anaheim went scoreless on four power-play attempts.

"I'm playing better, and the team is playing better in front of me," Hasek said.

NHL ROUNDUP

Canadiens 2, Kings 0 Vincent Damphousse ended Montreal's scoring drought with a second-period goal as the Canadiens beat the visiting Kings.

Seconds after Los Angeles killed off a penalty late in the period, Damphousse banked a shot off the leg of former Montreal goaltender Frederic Chabot.

Mark Recchi added a goal with 5:28 left for the Canadiens, who had not scored in 104 minutes since Brian Savage's goal in the third period of a 6-3 loss at Pittsburgh on Nov. 29.

Lightning 2, Coyotes 1 In Tampa, Paul Ysebaert and Dino Ciccarelli scored second-period goals 34 seconds apart to lead the Lightning over Phoenix.

Ysebaert scored on a breakaway at 12:25. Ciccarelli then scored his 590th career goal at 12:59. The right wing, who was making his second appearance since elbow surgery Nov. 7, had not scored since Oct. 21.

Lightning goalie Daren Puppa, who faced 27 shots, stopped point-blank second-period chances by Rick Tocchet and Juha Ylonen.

Bruins 3, Flyers 0 Joe Thornton, the top draft pick last summer, scored his first NHL goal and point in the third period as Boston won at Philadelphia.

Steve Heinze broke a scoreless tie in the second period, and Per-Johan Axelsson had a goal and an assist for the Bruins, who snapped a seven-game winless streak and recorded just their second victory in 13 games.

Hurricanes 5, Islanders 3 Kevin Dineen returned from a six-game absence for a hamstring injury and helped spark a three-goal first period for Carolina.

Dineen and Geoff Sanderson each had a goal and an assist as the Hurricanes scored three times in a span of 2:17 to record their highest-scoring period of the season.

Carolina's Sami Kapanen scored twice to bolster his team-leading total to 15 goals. Steve Chiasson added two assists for the Hurricanes, who built leads of 3-0 and 4-1 before holding on to victory for the third time in four games.

Stars 4, Oilers 1 In Dallas, the Stars overcame the loss of NHL scoring leader Mike Modano in the first period to beat Edmonton.

Modano was kneed in the right knee by defenseman Bryan Marchment on a check along the boards with 11:02 left in the first. Modano crumpled to the ice and was helped to the locker room.

Modano, who started the night with 15 goals and 23 assists for 38 points, is expected to miss four to six weeks with a torn ligament.

Red Wings 4, Flames 3 Joey Kocur scored the go-ahead goal at 3:19 of the third period as Detroit won at Calgary.

Kocur was stopped twice from the same spot at the edge of the Flames' crease before finally whacking his second rebound past goalie Rick Tabaracci. The goal restored a Detroit lead that had been wiped out just over a minute earlier on Theoren Fleury's short-handed goal.

CROSSWORD

ACROSS

1 Disaster relief org.
5 Actor known for his stunts
15 "Primary Colors" author, for short
16 Attempt a conversion?
17 Tire part
18 Debuggers?
19 —— Books (paperback publisher)
20 Where Brunel is
21 Drinks with vitamin C
22 Land south of Kashmir
24 Eye doctor's lens
26 Melodic composition
27 Actress Bissett of "Melrose Place"
29 Soundly beat
30 Sophocles tragedy
32 Makes the cut?
36 Frangipane ingredient
37 Long tresses
38 Doc of the bay?
40 Secretaries
43 Rouge roulette number
44 One of Spot's masters
48 Escapades
47 British Commonwealth member
49 Artist Rivera
51 Stroller
52 "Why not?"
53 Some decongestants
57 Elizabethan ——
58 Entry words?
60 Pet
61 They may be good for singles
62 Cooper's tool
63 Only hypothetical
64 Encouraging words

DOWN

1 Brisk
2 Bodyguards, personal hairdressers, etc.
3 Periods of grief
4 "What else ...?"
5 Oversize wine bottle
6 State
7 Informal title of respect
8 Kind of socks
9 Block houses?
10 Sniggler's wriggler
11 Like soccer shoes
12 Language in 22-Across
13 —— Ruins National Monument, N.M.
14 Monster's home
20 Many college grads
23 Drink at a diner
25 USA Today chart
27 Singer Ian
28 Conestoga haulers
31 It's an honor
33 Three-time U.S. Open champ
34 Pound, perhaps
35 Chemical salts
38 Most conservative
41 Tear sheet?
42 Decline
44 Left or right
46 Players without fixed positions
48 Ford alternatives
49 "The Purloined Letter" detective
50 Hit 1919 musical revived in 1973
52 Arias, usually
54 "—— happens ..."
55 Asphalt
56 Sudden break in the clouds, say
59 80's military inits.
60 Paulo or Pedro, e.g.

Solution to Puzzle of Dec. 4

S	O	F	T	S	O	A	P		A	L	A	M	O	S
T	H	R	O	S	T	L	E		M	I	L	A	N	O
R	A	I	N	T	R	E	E		U	N	I	C	E	F
A	R	N	O		O	P	P	O	S	E		H	O	T
W	A	G			H	I	R	E			I	N	S	
	S	E	E	R	S		N	A	D	A		N	O	H
			D	E	S	I	G	N		S	T	E	N	O
S	T	R	I	V	E	N		G	E	N	E	S	E	E
O	R	A	T	E		S	H	E	K	E	L			
F	I	G		T	A	P	E		G	R	E	E	D	
T	R	W			R	O	A	M				T	E	E
W	E	E		M	I	T	R	E	S		C	O	A	T
A	M	E	B	A	S		S	T	E	E	P	I	S	H
R	E	D	O	N	E		T	O	L	D	A	L	I	E
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Puzzle by Craig Kasper and Dave Tuller

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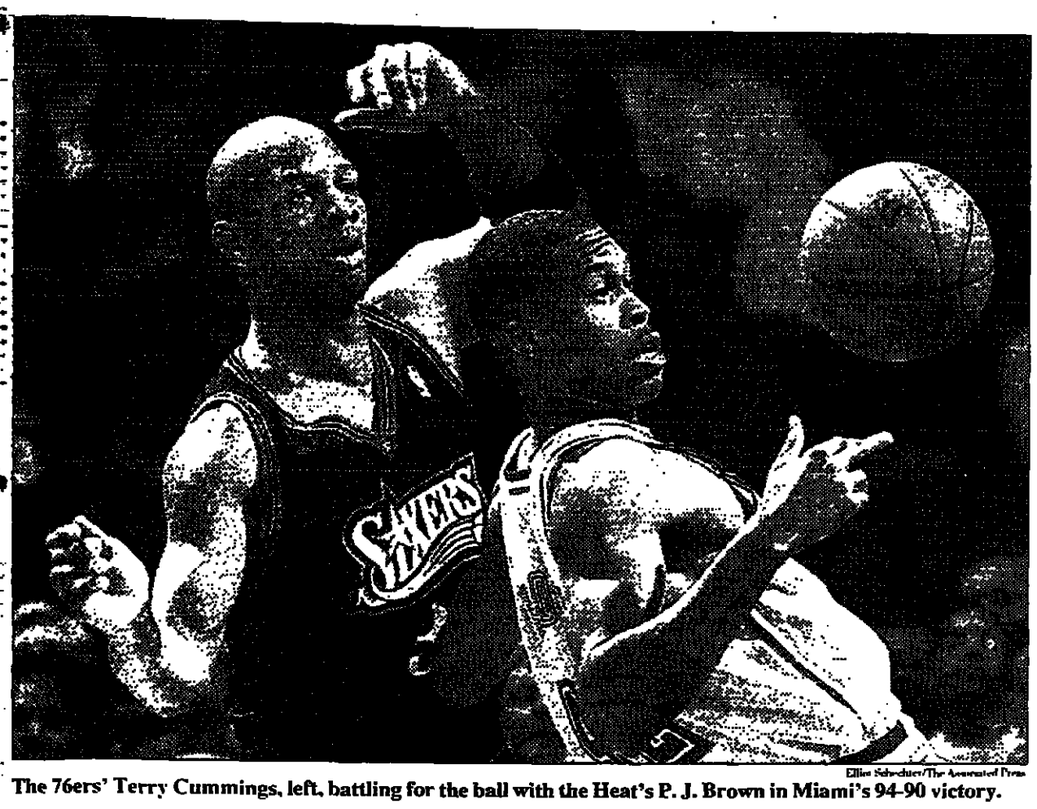
SPORTS



Ellis Schrader/The Associated Press

The 76ers' Terry Cummings, left, battling for the ball with the Heat's P. J. Brown in Miami's 94-90 victory.

This Time, Phoenix Loses a Marathon

The Associated Press

The Phoenix Suns played their second long, long overtime game in 19 days. This time, however, they lost, 108-103, in triple overtime at Detroit.

"This was a fun game to be a part of," said Danny Ainge, the Phoenix coach. The Suns beat Portland, 140-139, in quadruple overtime less than three weeks ago. "We had some chances to win, but we couldn't get the shots to fall. They just outlasted us."

Magic 101, Grizzlies 97 Penny Hardaway, the leader of a player revolt last season that culminated in the firing of Brian Hill as coach of the Magic, scored 22 points as Orlando beat its former coach and won on the road for the second straight night.

Bulls 97, Celtics 87 Michael Jordan scored 29 points, Dennis Rodman had 17 rebounds and Toni Kukoc had 15 points, 11 assists and eight rebounds as Chicago avenged an opening-night loss at Boston.

Lakers 107, Nuggets 89 Elden Campbell, filling in for Shaquille O'Neal, had 25 points and 12 rebounds. Nick Van Exel was 5-for-5 from 3-point range.

Jazz 115, Raptors 98 In Salt Lake City, Karl Malone had 23 points and 15 rebounds, and Bryon Russell added a season-high 19 points.

Pacers 94, Timberwolves 90 Reggie Miller scored 27 points and Indiana capitalized on several mistakes by Minnesota at both ends of the floor.

SuperSonics 93, Nets 89 Vin Baker scored 23 points and Hersey Hawkins made four late free throws and grabbed a key defensive rebound as Seattle won at New Jersey.

Heat 94, 76ers 90 Isaac Austin scored 28 points and Tim Hardaway added 20 points and 11 assists for the host Heat.

NBA Roundup

Sprewell's Career Skids to a Halt

After Attack on Coach, Star Is Cut by Warriors and Banned by NBA

The Associated Press

OAKLAND, California — Latrell Sprewell was suspended for a year without pay Thursday by the NBA for attacking his coach, P.J. Carlesimo.

The move came less than a day after the Golden State Warriors terminated Sprewell's $32 million contract for assaulting Carlesimo at practice and threatening to kill him.

"A sports league does not have to accept or condone behavior that would not be tolerated in any other segment of society," said David Stern, the NBA commissioner. "Accordingly, Latrell Sprewell is suspended from the NBA for one year."

The suspension takes effect immediately and will end Dec. 3, 1998. Sprewell was already serving a 10-game suspension without pay imposed by the team. The league's action prohibited Sprewell from playing for another NBA team.

"Latrell Sprewell assaulted coach P.J. Carlesimo twice at Monday's practice," Stern said. "First he choked him until forcibly pulled away. Then, after leaving practice, Mr. Sprewell returned and fought his way through others in order to commit a second, and this time clearly premeditated, assault."

Sprewell's agent, Arn Tellem, could not be reached for comment.

Also Thursday, Converse said it had fired Sprewell as an endorser and spokesman for the shoe company.

Sprewell, a 27-year-old guard, was a three-time All-Star was the team's leading scorer with 21.4 scoring average.

"I'll go overseas to play if I have to," Sprewell said Wednesday. "And my life will go on if I never play basketball again. Basketball didn't make me what I am. I'll be O.K."

In interviews with the San Francisco Chronicle and a local television station, Sprewell admitted making a mistake but did not apologize to Carlesimo, saying his attack on the coach came "after a lot of verbal abuse by P.J."

By terminating his contract, the Warriors avoid paying the approximately $24 million Sprewell was scheduled to earn in the final three years of the four-year deal signed before last season.

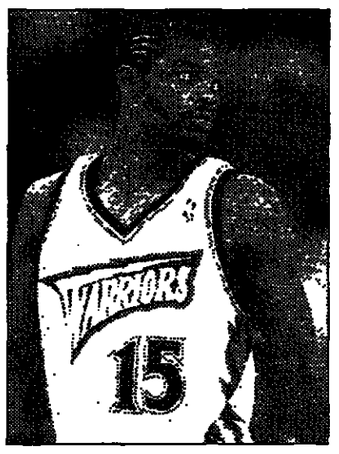
It was the first time an NBA player had his contract terminated for insubordination. Two players, Roy Tarpley and Richard Dumas, had their contracts voided for violating league drug policy.

Bill Hunter, executive director of the players' union, said a grievance would be filed about the contract termination.

But Garry St. Jean, the Warriors' general manager, said, "Outrageous misconduct by players in professional sports has been tolerated for too long. We are drawing the line. Some things are more important than winning or losing games."

"This wasn't an economical decision," St. Jean said after the Warriors' 95-67 loss to Cleveland on Wednesday. "This was a decision about morals and ethics and the right thing to do."

The game against Cleveland was the first game of that suspension. The loss, in which Golden State scored just 10 points in the fourth quarter, dropped the Warriors' record to 1-14.



Sam Morris/The Associated Press

Latrell Sprewell, team's top scorer.

Carlesimo, a 3-inch (8-centimeter) scar on his neck slowly starting to heal, was given a standing ovation by a few fans Wednesday night during pregame introductions in the half-empty arena.

Two fans had pro-Sprewell signs taken away from them before the game.

In a letter to Sprewell on Tuesday, the team said it reserved the right to terminate his contract under Section 16 of the Uniform Player Contract, which says players must "conform to standards of good citizenship and good moral character" and prohibits "engaging in acts of moral turpitude."

Some NBA players have a personal conduct guarantee clause in their contracts that prohibits teams from terminating their services based on their behavior. Sprewell had no such protection.

Witnesses said Sprewell grabbed Carlesimo by the neck and threatened to kill him.

"I want to apologize to my fans, my family and friends of mine who saw this," Sprewell said. "It's definitely not something that I condone, but it did happen. And that's a mistake I made. I think it's been known for some time now that we haven't been on good terms. And it's been over a month or so now, and I just couldn't take the verbal abuse that he's been giving all the guys over the past month or so."

Sprewell denied punching Carlesimo, saying he never got close enough because teammates and other coaches held him back.

"It would be kind of obvious if I'd really gotten to him," he said. "If I really went after P.J., he'd look a lot worse."

Sprewell's threat to kill Carlesimo prompted the league to arrange protection for the coach from both the FBI and league security, according to The Washington Post.

The Post also said that when Horace Balmer, the NBA's vice president in charge of security, called Sprewell for his side of the story, the player hung up on him, saying he "was asking too many questions."

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION	W	L	Pct	GB
Miami	11	5	.688	—
Orlando	12	6	.667	—
New York	10	6	.625	1
New Jersey	10	7	.588	1½
Boston	7	10	.412	4½
Washington	6	11	.353	5½
Philadelphia	4	10	.286	6
CENTRAL DIVISION				
Atlanta	15	2	.882	—
Charlotte	10	5	.667	4
Cleveland	10	6	.625	4½
Indiana	9	6	.600	5
Chicago	10	7	.588	5
Milwaukee	9	7	.563	5½
Detroit	7	11	.389	8½
Toronto	7	16	.259	14
WESTERN CONFERENCE				
MIDWEST DIVISION	W	L	Pct	GB
Utah	11	6	.647	—
Houston	9	5	.643	—
San Antonio	10	7	.588	1
Minnesota	7	9	.438	3½
Vancouver	7	12	.368	5
Dallas	4	12	.250	6½
Denver	1	14	.067	9
PACIFIC DIVISION				
L.A. Lakers	14	2	.875	—
Seattle	14	4	.778	1
Phoenix	10	4	.714	3
Portland	10	6	.625	4
Sacramento	5	12	.294	9½
L.A. Clippers	2	14	.125	12
Golden State	1	13	.067	12½

WEDNESDAY'S RESULTS

Chicago 25 24 28 20— 97
Boston 18 20 22 27— 87
C. Jordan 11-21 6-8 29, Harper 6-10 8-9 18; B. Walker 8-24 1-4 19, Rowan 6-11 3-4 16. Rebounds—Chicago 62 (Rodman 17), Boston 50 (Walker 12). Assists—Chicago 25 (Kukoc 11), Boston 14 (McCarty, Billups, Barros 3).

Seattle 31 20 15 27— 93
New Jersey 26 22 18 23— 89
S: Baker 9-17 5-7 23, Schrempf 5-12 6-7 17; N.J.: Cassell 8-19 7-7 23,Gill 9-17 0-0 18. Rebounds—Seattle 42 (Schrempf 9), New Jersey 65 (J.Williams 24). Assists—Seattle 21 (Payton 6), New Jersey 20 (Kittles 5).

Philadelphia 17 26 29 18— 90
Miami 26 23 23 22— 94
P: Iverson 10-19 0-0 21, Weatherspoon 6-12 2-3 14, Jackson 6-13 2-2 14; M: Austin 12-20 4-6 28, Hardaway 6-16 6-8 20. Rebounds—Philadelphia 45 (Weatherspoon 13), Miami 50 (Brown 10). Assists—Philadelphia 24 (Jackson 7), Miami 25 (Hardaway 11).

Phoenix 23 17 23 24 4 6 6—102
Detroit 24 21 23 19 4 6 11—108
P: Chapman 8-24 2-2 22, Manning 8-19 0-0 16; D: Hill 11-24 5-6 27, B.Williams 10-16 1-3 21. Rebounds—Phoenix 68 (J.Williams 14), Detroit 73 (B.Williams 17). Assists—Phoenix 27 (Kidd 10), Detroit 20 (Hill 10).

Indiana 27 20 26 21— 94
Minnesota 26 30 16 18— 90
I: Miller 11-21 3-3 27, Smits 7-16 1-1 15; M: Garnett 11-13 3-3 25, Carr 7-13 4-4 19. Rebounds—Indiana 46 (Smits 8), Minnesota 55 (Gugliotta 12). Assists—Indiana 24 (Jackson 11), Minnesota 25 (Marbury 10).

L.A. Lakers 29 24 24 30—107
Denver 25 21 24 19— 89
L.A. Lakers: Campbell 11-18 3-4 25, Van Exel 7-11 0-0 19; D: Newman 7-15 5-6 19, Forbes 6-12 4-6 16. Rebounds—Los Angeles 53 (Campbell 12), Denver 42 (Garrett 8). Assists—Los Angeles 18 (Bryant 5), Denver 23 (Jackson 9).

Toronto 19 29 26 24— 98
Utah 22 37 25 21—105
T: Stoudamire 9-17 4-6 25, Wallace 7-14 2-2 16; U: Malone 11-19 1-5 23, Russell 6-11 4-6 19. Rebounds—Toronto 37 (Miller 8), Utah 65 (Malone 15). Assists—Toronto 16 (Miller 4), Utah 32 (Hornacek, Eisley 8).

Orlando 27 25 29 20—101
Vancouver 29 30 15 23— 97
O: Strong 8-16 7-8 23, Hardaway 7-19 7-8 22; V: Abdur-Rahim 11-18 2-2 24, Thorpe 6-10 7-7 19. Rebounds—Orlando 45 (Strong 11), Vancouver 43 (Thorpe 13). Assists—Orlando 28 (Price 13), Vancouver 30 (Abdur-Rahim 7).

Cleveland 21 15 26 32— 95
Golden State 23 17 17 10— 67
C: Person 10-17 2-2 24, Anderson 2-6 9-9 13, Potapenka 6-11 1-3 13; G.S.: Marshall 9-16 2-3 25, Dampier 5-6 0-0 10. Rebounds—Cleveland 59 (Ilgauskas 10), Golden State 48 (Marshall 10). Assists—Cleveland 27 (Knight 8), Golden State 21 (Rogers 6).

ICE HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION	W	L	T	Pts	GF	GA
Philadelphia	15	9	5	35	80	66
New Jersey	17	9	0	34	74	49
Washington	14	10	4	32	83	73
N.Y. Islanders	11	13	4	26	75	79
N.Y. Rangers	8	12	9	25	73	79
Florida	8	14	5	21	63	80
Tampa Bay	5	17	4	14	52	87
NORTHEAST DIVISION						
Montreal	16	10	3	35	87	68
Pittsburgh	15	9	5	35	83	71
Boston	12	12	5	29	70	78
Carolina	12	13	4	28	80	80
Ottawa	11	13	4	26	72	70
Buffalo	8	12	6	22	68	74
WESTERN CONFERENCE						
CENTRAL DIVISION	W	L	T	Pts	GF	GA
Dallas	19	7	4	42	99	66
Detroit	18	6	5	41	97	66
St. Louis	16	9	3	35	81	62
Phoenix	13	12	2	28	77	75
Chicago	10	13	4	24	59	69
Toronto	8	13	4	20	50	70
PACIFIC DIVISION						
Colorado	14	6	8	36	84	70
Los Angeles	12	10	5	29	85	73
Anaheim	11	13	6	28	68	83
Vancouver	9	14	4	22	77	90
Edmonton	8	15	6	22	67	90
San Jose	9	18	2	20	73	91
Calgary	6	16	7	19	73	91

WEDNESDAY'S RESULTS

Anaheim	0	0	0—0
Buffalo	2	1	1—4

First Period: B-Audette 7 (Dawe, Peca) (pp). 2. B-Satan 10 (Plante, Barnaby; Second Period: B-Holzinger 5 (Audette, Woolley) (pp). Third Period: B-Satan 11 (Woolley) Shots on goal: A- 7-5-14—26. B- 10-10-5—25. Goalies: A-Hebert. B-Hasek.

N.Y. Islanders	0	1	2—3
Carolina	3	1	1—5

First Period: Carolina, Dineen 4 (Leschyshyn, Sanderson) 2, Carolina, Sanderson 6 (Chiasson, Dineen) 3, Carolina, Manderville 2 (Ronheim, Grimson) Second Period: New York, Palffy 14 (Charske, Green) 5, Carolina, Kapanen 14 (Chiasson, Roberts) Third Period: New York, Green 10 (Bertuzzi, Reichel) (pp). 7, New York, Lapointe 5 (Bertuzzi, Smolinski) & Carolina, Kapanen 15 (Primeau) (en). Shots on goal: New York 10-12-11—33. Carolina 9-6-8—23. Goalies: New York, Salo, Carolina, Burke.

Los Angeles	0	0	0—0
Montreal	0	1	1—2

First Period: None. Second Period: M-Damphousse 8 (Rucinsky, Brisebois) (pp). Third Period: M-Recchi 13 (Corson, Koivu) Shots on goal: L.A.- 7-13-15—35. M- 13-13-8—34. Goalies: L.A.-Chabot. M-Thibault.

Boston	0	1	2—3
Philadelphia	0	0	0—0

First Period: None. Second Period: B-Heinze 3 (Donato, Allison) Third Period: B-Thornton 1 (Axelsson) 2, B-, Axelsson 2 (Taylor, Bourque) Shots on goal: B- 3-4-16—23. P- 3-11-6—20. Goalies: B-Dafoe. P-Snow.

Phoenix	1	0	0—1
Tampa Bay	0	2	0—2

First Period: Phoenix, Shannon 1 (Yzerman, Corkum) Second Period: T-Yzerbeet 4 (Huscroft) 2, T-Ciccarelli 4 (Langkow, Racine) Third Period: None. Shots on goal: Phoenix 5-11-11—27. T- 8-8-3—19. Missed penalty shot—Ciccarelli, TB, first. Goalies: Phoenix, Khabibulin. T-Puppa.

Edmonton	0	1	0—1
Dallas	2	1	0—4

First Period: D-Nieuwendyk 15 (Reid, Chambers) 2, D-Verbeek 11 (Nieuwendyk, Sydor) (pp). 3, D-Reid 6 (Zubov, Langenbrunner) (pp). Second Period: D-Langenbrunner 13 (Carbonneau, Lehtinen) 5, E-Langnes 3 (Buchberger) Third Period: None. Shots on goal: E- 2-7-10—19. D- 15-8-8—31. Goalies: E-Joseph, Essensa. D-Belfour.

Detroit	2	1	1—4
Calgary	1	1	1—3

First Period: D-Lidstrom 11 (Murphy, Kozlov) 2, D-Gilchrist 6 (McCarty, Kozlov) (pp). 3, C- Iginla 8 (Cassels, Hoglund) Second Period: C-Tilov 5 (Morris) 5, D-, Shanahan 14 (Yzerman, Eriksson) (pp). Third Period: C-Fleury 9 (Allison, Morris) (sh). 7, D-Kocur 3 (Maltby, Murphy) Shots on goal: D- 13-4-9—26. C- 10-6-10—26. Goalies: D-Osgood. C-Tabaracci.

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SOCCER

GERMAN CUP
THIRD ROUND

Bayer Leverkusen (I) 1, Arm. Bielefeld (I) 1
Leverkusen qualified 4-3 on penalties.
Alem. Aachen (III) 1 W. Mannheim (III) 1
Mannheim qualified 5-4 on penalties.
Hanover 96 (III) 1, Carl Zeiss Jena (II) 1
Jena qualified 4-2 on penalties.
MSV Duisburg (I) 1, Eint. Frankfurt (II) 0
SV Meppen (II) 0, KFC Uerdingen (II) 2
SSV Ulm (III) 1, VfB Stuttgart (I) 3
(division in brackets)

SPANISH CUP
THIRD ROUND, FIRST LEG

Recreativo Huelva (III) 0, Celta Vigo (I) 1
Figueres (III) 1 Valencia (I) 1
Novelda (III) 2 Zaragoza (I) 2
Lorca (III) 2 Merida (I) 0
Alaves (II) 1 Compostela (I) 0
Osasuna (II) 3 Racing Santander (I) 0
Extremadura (II) 1 Salamanca (I) 0
(division in brackets)

ENGLISH PREMIER LEAGUE

West Ham 4, Crystal Palace 1

DUTCH FIRST DIVISION

NAC Breda 1, Roda JC Kerkrade 0
Fortuna Sittard 3, Volendam 0
MVV Maastricht 0, Ajax Amsterdam 3
RKC Waalwijk 1, Sparta Rotterdam 3
STANDINGS: Ajax Amsterdam 49; PSV Eindhoven 37; Vitesse Arnhem 35; Feyenoord , Heerenveen 31; Willem II Tilburg 24; Twente Enschede, Sparta Rotterdam, NAC Breda 21; Utrecht, Fortuna Sittard, Graafschap Doetinchem 20; Roda JC Kerkrade, NEC Nijmegen 19; Groningen, RKC Waalwijk 15; MVV Maastricht 14 Volendam 11.

TRANSITIONS

BASEBALL
AMERICAN LEAGUE

BOSTON—Re-signed RHP Jim Corsi to 1-year contract with an option year.
CLEVELAND—Fired Dave Nelson, first base coach and replaced him with Al Bumbry.
TAMPA BAY—Agreed to terms with LHP Wilson Alvarez on 5-year contract.
TEXAS—Agreed to terms with RHP Matt Whiteside on 1-year contract.
TORONTO—Named Gary Matthews batting coach, Eddie Rodriguez third base coach and Sal Butera bullpen coach.

NATIONAL LEAGUE

ARIZONA—Promoted Brian Butterfield to third base coach and infield instructor.
LOS ANGELES—Signed OF Trent Hubbard to 1-year contract.
PITTSBURGH—Agreed terms with INF Doug Strange and INF Kevin Young on 2-year contracts. Designated INF Brandon Cromer for assignment.

BASKETBALL

NATIONAL BASKETBALL NBA—Suspended Golden State G Latrell Sprewell for 1 year for attacking coach P.J. Carlesimo on Dec. 1.
GOLDEN STATE—Terminated contract of G Latrell Sprewell and placed him on waivers. Activated F Duane Ferrell from injured list.
MILWAUKEE—Put F Jeff Nordgaard on injured list.
PORTLAND—Put G John Crotty on injured list. Signed G Rick Brunson.
SEATTLE—Put F Jerome Kersey on injured list. Activated G James Cotton from injured list.
TORONTO—Signed C Tim Kempton. Waived C Ed Stokes.

FOOTBALL
NATIONAL FOOTBALL LEAGUE

NFL—Fined Kansas City Chiefs LB Anthony Davis $7,500 for hit on San Francisco 49ers QB Steve Young in Nov. 30 game.
N.Y. JETS—Signed T Kerry Jenkins off Chicago practice squad. Waived LB Chris Wing.
WASHINGTON—Signed QB Jamie Martin.

HOCKEY
NATIONAL HOCKEY LEAGUE

ANAHEIM—Assigned D Pavel Trnka to Cincinnati, AHL. Recalled C Jean-Francois Jomphe from Cincinnati.
BOSTON—Waived G Jim Carey.
BUFFALO—Sent C Erik Rasmussen and D Jay McKee to Rochester, AHL.
CHICAGO—Named Denis Savard assistant coach.
DETROIT—Re-assigned RW Alexandre Jacques to Toledo, ECHL.
EDMONTON—Sent D Craig Millar to Hamilton, AHL.
FLORIDA—Recalled F Ryan Johnson from New Haven, AHL. Sent LW Pete Worrell to New Haven.
LOS ANGELES—Assigned C Roman Vopat to Fredericton, AHL.
MONTREAL—Sent D Jassen Cullimore to Fredericton, AHL.
NEW JERSEY—Acquired D Dan Ratushny from Quebec, IHL and assigned him to Albany, AHL.
N.Y. ISLANDERS—Recalled G Wade Flaherty from Utah, IHL.
PHOENIX—Assigned RW Shane Doan to Springfield, AHL.
SAN JOSE—Assigned LW Niklas Andersson to Kentucky, AHL.

NBA announcement:

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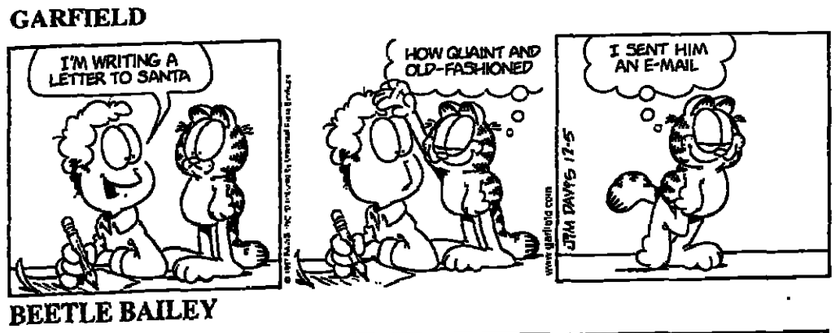

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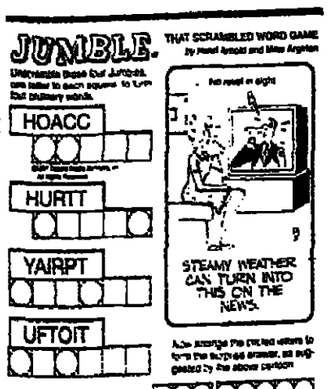

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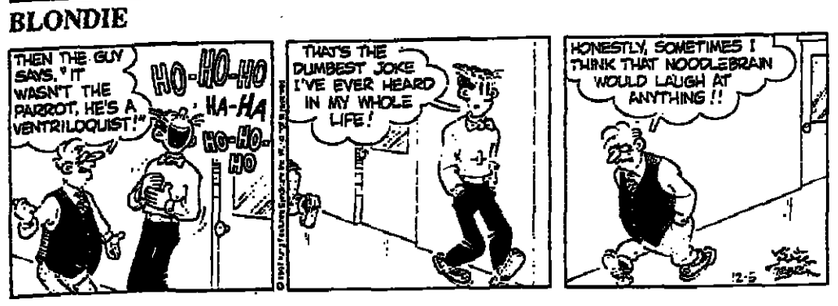

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POSTCARD

The Dream of a Poet

By Celestine Bohlen
New York Times Service

FLORENCE, Italy — It was an old dream of Joseph Brodsky, the Russian-born poet, American Nobel laureate and Italophile, that Russian scholars, artists and writers should have a chance to live and work in Italy, to draw inspiration from a culture that for half a century lay beyond their reach.

Monday night, at the municipal theater here in Florence, his friend and fellow Russian émigré Mikhail Baryshnikov dedicated a solo dance performance to that dream, the first public fund-raising effort in a campaign that at the start will create special fellowships for Russians at the American Academy in Rome.

A half year before his death of a heart attack in April 1996 at the age of 55, Brodsky presented Rome with a proposal for a Russian Academy, similar to other long-established national institutes there that serve as refuges for visiting scholars and artists. But his model was the American Academy, which is privately financed, where he first came in 1981 as a recent American citizen and where he returned many years after that.

"He was dreaming of this idea," Baryshnikov said Tuesday night. He was concluding an 11-week European tour of a program of contemporary choreography, performed with the White Oak Chamber Ensemble. "He felt so privileged and blessed by the inspiration of his Italian voyages," he said of Brodsky, "that being naturally generous for others, he wanted others to share it."

The Brodsky Association, based in Rome and New York City, is seeking to create annual scholarships for Russians so that they can take up a yearlong residence at the American Academy, while it collects money for a separate Russian institute. The idea was approved by the academy's board a year ago, as a tribute to Brodsky.

"Joseph Brodsky is the reason the board was so enthusiastic about the idea, because he was so enthusiastic about the American Academy," said Adele Chatfield Taylor, the academy's New York-based president, in a telephone interview. "We are all carrying the torch for his idea."

□

The cultural links between Italy and Russia date back centuries, to the influence of Dante on Pushkin, of Italian opera on Tchaikovsky, of Italian Futurism on modern Russian art.

In his proposal for a Russian Academy, Brodsky argued that Russian culture suffered deeply when those links were artificially severed by the Soviet Union's isolationist regime.

"Much of what has transpired in Russia — in its mental climate, specifically — is this unfortunate break's direct result," Brodsky wrote on a visit to Italy in October 1995. "This country always was a revelation to the Russians; now it can become the source of their renaissance."

Brodsky, whose ashes were buried last June on an island cemetery in the Venice lagoon, was particularly indebted to Italian culture, and his poems about Venice are prized by Italians as among the most moving, and mysterious, testimonials to the city. "He loved Italy, and the influence it had on him," said his Italian-born widow, Maria Sozzani Brodsky.

Carlos Fuentes: Exploring a Dark Borderland

By Kyle Jarrard
International Herald Tribune

AUSTIN, Texas — "Poor Mexico / poor United States / so far from God / so near to each other." Thus Carlos Fuentes ends his new novel, "The Crystal Frontier," with a pointed rewording of a saying attributed to Porfirio Diaz. Only this time it's not just Mexico's predicament; it's the sad condition of both countries.

The two nations share a porous frontier along which there is a booming trade in workers, drugs and goods lorded over by the likes of Leonardo Barroso, a Mexican mogul who runs factories, deals in drugs and contraband and whose power dominates this novel. The narrator asks in "A Capital Girl," the opening story: "Was there anyone who didn't have something to do with or didn't depend on or hope to serve Don Leonardo Barroso, czar of the northern frontier?" Each story reveals more about the "wealth and power provided by control over an illusory, crystal frontier."

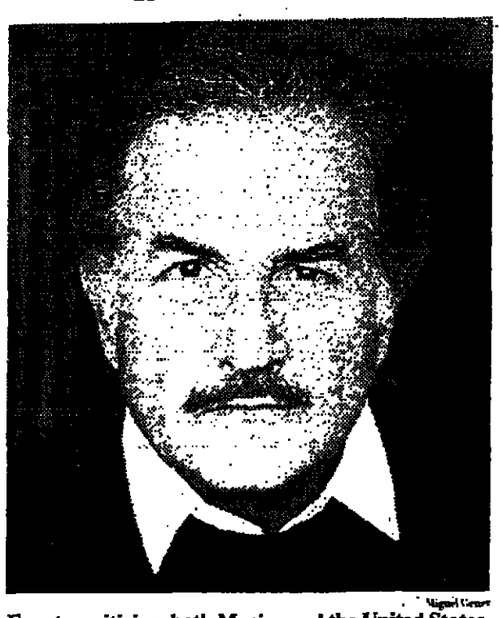
For Fuentes, in Austin last month for the Texas Book Festival, Barroso is not the patriarch of Gabriel Garcia Marquez, but an "economic tyrant" of a kind that "abounds in Latin America and in the world." He's a character who is central to the society of Mexico, "where 24 families have more money than 24 million people." He's an oligarch who marries off his son to a gorgeous girl from the capital, only to take the woman for himself. That he should come to a bad end is only to be expected.

"The Crystal Frontier" is fiction, nonfiction, politics, economics, sociology and journalism all in one. "Anything that fits my purposes," Fuentes says, "news from the world, real characters from highways. Even the American labor secretary makes his cameo." The Mexican writer visited the border region over a three-year period to get a firsthand look, focusing on the cauldrons of misery at Tijuana-San Diego and Ciudad Juarez-El Paso.

Tijuana-San Diego is "The Line of Oblivion," a tale based on a newspaper clipping Fuentes came across about an old man who had been abandoned in his wheelchair on a racetrack by his family. "He was unable to speak, they had ripped all the tags and I.D. marks off his suit, and he was found there," Fuentes says. "Nobody knew who he was, why he was there, who had put him there. I found it a very dramatic situation and applied it to the possibility of an old man, an old left-wing labor leader, being abandoned exactly on the line of oblivion, that is, the line between Tijuana and San Diego."

It's a political line, too, as seen in the contrast between Mexico's relations with Texas and those with California. For Texas, the North American Free Trade Agreement has brought good ties. California-Mexico is another story. Fuentes lays the quarrels over health and education benefits for immigrants to a "phobic element" in that state "who whip up a situation of animosity and adversity over problems that could be solved in a diplomatic, rational way with a bit of good will."

Ill will would also lead some (the won't-be-amuseds) to see "The Crystal Frontier" as anti-American invective, especially in "Spoils," in which Dionisio Rangel, a cooking expert who champions Mexican cuisine, takes on American society.



Miguel Gomez
Fuentes criticizes both Mexico and the United States.

"How would the country put itself in order when it was full of religious lunatics who believed beyond doubt that faith, not surgery, would take care of a tumor in the lungs? How, when the country was full of people who dared not exchange glances in the street lest the stranger turn out to be an escaped paranoid authorized to kill anyone who didn't totally agree with his ideas?"

Fuentes has a reply for "politically correct" reviewers, though. One is that the book is perfectly balanced between its digs at America and its stabs at Mexico. "We both have defects, that's part of the picture of the relationship." Another response is more acerbic: "When I satirize Mexico I'm a great satirist. When I poke fun at the United States, I'm a mean, clichéd caricaturist. It is curious that one should always get pallid anemic WASPs as critics."

The book was well received in Mexico three years ago. Translated into English by Alfred Mac Adam and published by Farrar, Straus and Giroux last month, "The Crystal Frontier" stands among Fuentes most accessible works, its "open" narrative style its strongest asset. Lives on both sides of the border are approached as though the writer were a passerby who gathered bits and pieces of their doings and assembled these parts into a sort "glass membrane" through which the reader gets a magnified view of the reality of the borderlands.

Some stories take place far from this dusty territory, in Chicago ("Las Amigas") where an old white woman makes life miserable for a Mexican maid but finds she can learn to love other people again after all, and in a New York office building (the title story) where a young advertising executive kisses a worker from Mexico City through "the crystal frontier," the window of her office.

"Malintzin of the Maquilas" enters the world of the factories along the border, where women workers are pawns in a huge game guided by Barroso's dictum: "The progress of the nation can be measured by the progress of the assembly plants." The boss keeps the women off the beautiful lawn in front of the plant during their breaks, but one, Marina, tests the system and runs onto the grass barefoot as Barroso looks down from his office window where he is holding a business meeting with Americans. Immediately, he tries to convince his visitors of his magnanimity: "Just look, Ted, he said to the gringo who was dry as a corncob pipe. Look at the joy, the freedom of those girls, the satisfaction they take in having done their jobs. What do you think? But Murchison looked at him skeptically, as if to say, How many times have you staged this little act?".

It is a dark world where people seldom find solutions to their problems. "We are in such a fluid situation in the world," Fuentes says, "that I think people are very worried about their place in the future. It's a very anguishing situation for the majority of the peoples of the world as they see the growing gap between haves and have-nots."

"Rio Grande, Rio Bravo," the concluding story, is what Fuentes calls an "epic chorus of the borderland" — the narrative songs of a troubled border guard, a woman factory supervisor, a railroad bandit, a guide (coyote) for clandestines, a frightened illegal immigrant, a Mexican in the U.S. Border Patrol, and the young U.S.-educated Mexican doctor who tends to Barroso's bullet-riddled body when he is viciously gunned down at the border. But the most telling of all is Jose Francisco, an itinerant writer who rides his Harley-Davidson back and forth across the border with satchels full of stories about the frontier. "Stories about families, that was the wealth of the border world, the quantity of unburied stories that refused to die," manuscripts he tosses skyward in the closing chorus like "feathers that speak" of "each deed, each battle, each name, each memory, each defect, each triumph, each color, to the north of the Rio Grande, to the south of the Rio Bravo, let the words fly."

Fuentes, 69, lives part of the year in London, to escape the mayhem of home, to avoid the public eye so he can write. He is 300 pages into a generational novel. "the story of my immigrant great grandfathers who came from Spain and Germany to Veracruz" that tells "a whole century of Mexican life through a family."

For the author of more than 10 literary novels, Americans' general disdain for "difficult" literature is not his concern. "I'm trying to write books that might last a little longer, even though they do not give the reader certain . . . facilities." In the end, he says, "a book is like a bottle with a message in it that you throw into the sea. Maybe it will reach its destination, maybe it won't. But the thing is to be faithful to yourself."

THEATER

Paul Simon's 'Capeman': A Spotlight on Latino Music

By Guy Garcia

NEW YORK — The percolating groove of a full-throttle mambo reverberated through the walls of a studio complex in Greenwich Village, where the cast of "The Capeman," the new musical by Paul Simon, was going through its paces. As the number reached its climax, the festiveness of a Nuyorican street fair was evoked by the singers' swaying bodies and the vibrant tattoo of Afro-Caribbean drums. Even after the music had stopped, a buzz of exultation hung in the air.

Though Simon will not appear in "The Capeman" and its opening night is still a month away, the show is already being hailed as a breakthrough cultural event that gives Latino musicians and actors the media spotlight they long deserved.

Based on the life of Salvador Agron, 16, from Puerto Rico, who was arrested for the gang-related deaths of two other teenagers in New York in 1959, Simon's opera about social violence and spiritual redemption spans three decades, several cultures and a slew of musical styles — from gospel and '50s doo-wop to country and steamy tropical salsa.

Directed and choreographed by Mark Morris with lyrics by Simon and the Nobel Prize-winning poet Derek Walcott, the show stars the Panamanian singer Ruben Blades, the Puerto Rican diva Ednita Nazario and the contemporary salsa singer Marc Anthony.

"It's an American story," says Simon, who sees "The Capeman" as an extension of the polyrhythmic explorations he began with the albums "Graceland" and "The Rhythm of the Saints." (This month he released his new album, "Songs From the Capeman," a selection of tunes from the Broadway show.)

"What is shocking to some people is that Puerto Rican culture is part of America," he adds. "The only thing different about this is that it's taking a culture that was marginalized and it's presenting it as something mainstream."

Sara Krulwich/The New York Times
Marc Anthony, left, and Paul Simon at a rehearsal.

With its unorthodox plot, mostly Latino cast and salsa-infused score, "The Capeman" represents a chance for Latin music to take center stage in a country that has usually relegated it to the wings.

"Non-Latinos who come to the show are going to hear a mix of different Latin styles that hopefully will help to legitimize salsa for a larger audience," says Oscar Hernandez, the show's musical director and a producer who has worked with salsa stars like Blades, Tito Puente and Celia Cruz.

Even if "The Capeman" succeeds in popularizing salsa rhythms, it won't be the first time that Latin accents have added spice to the American mainstream.

"There's been a lot of crossover," says John Storm Roberts, author of "The Latin Tinge: The Impact of Latin-American Music on the United States." "Latino and non-Latino musicians have always worked together, just as there have always been more Latin musicians than anybody realizes playing non-Latin music. I think it just has to do with statistics. There are just more non-Latinos than Latinos."

Still, many Latinos resent the fact that, except for periodic dance crazes like the cha-cha, the mambo and the tango, the wealth and diversity of their musical heritage has remained largely invisible to most non-Latinos.

"Latin music is not a fad," says Blades. "These musics have never gone; they never left. "Some people today say it's just a product, but I don't think so. Salsa is too visceral, the music is so pure — it's one of the last outlets for social identity."

Which is why, perhaps, some Latinos are wary that "The Capeman" is just the latest example of mainstream exploitation or oversimplification of Latin themes. Simon, who has been criticized for appropriating African and Latin musical traditions, dismisses the issue as tiresome and irrelevant.

"It's not an interesting question," he says. "It's about how badly you want to tell a story. Anyone can tell a story as long as they do it with respect."

It is precisely Simon's respect for the rhythmic roots of salsa, Blades contends, that separates "The Capeman" from watered-down interpretations of Latin music that have preceded it. "West Side Story was an adaptation, but in 'The Capeman' when you hear an *aguinaldo*, that's how it really sounds" he says. "It's not an interpretation by the Houston Philharmonic. No, that's really the way Latino musicians play."

It doesn't hurt, of course, that Simon has recruited some of the biggest names in salsa to headline the show. Blades, who plays Agron as an adult, is recognized as a leading salsa innovator who, first as a singer in Willie Colon's band in the '70s and later as a solo artist, infused Latin dance music with socially conscious lyrics. He also broke boundaries by collaborating on bilingual projects with non-Latin artists like Lou Reed and Elvis Costello.

Anthony, who portrays the teenage Agron, has been associated with an urban strain of salsa called freestyle and has updated traditional Latin song forms with contemporary pop and hip-hop beats in best-selling albums like "Otra Nota" from 1993.

" 'The Capeman' is not a showcase for all Latin music, because salsa is so dynamic," explains Anthony, who suggests that anyone who comes to the show expecting to hear the latest salsa trends will be disappointed. "It's not what's happening today. But what you hear is authentic."

Guy Garcia, the editor of Digital City New York, an entertainment and lifestyle network that will launch on America Online and the World Wide Web in January, wrote this for The New York Times.

PEOPLE

WORKS by **Georgia O'Keeffe** and **John Singer Sargent** sold for unprecedented prices at an auction in New York. A Sotheby's spokesman said the total of $43.6 million earned Wednesday in New York exceeded the mark of $37.7 million for a sale of American paintings, set at the company's auction in May 1989. Most buyers remained unidentified. But the purchaser of O'Keeffe's "From the Plains" was the Gerald Peters Gallery of Santa Fe, New Mexico, where O'Keeffe made her home for many years. The painting went for $3,632,500 — the most ever for an O'Keeffe at auction; Sotheby's said the highest price previously paid for an O'Keeffe was $1.98 million, in 1987. Six Sargents were sold for $16.65 million, about half of that for the best-known work, "In the Garden, Corfu." The painting fetched $8,362,500, well above the high estimate of $7 million. In a special sale within the auction, 21 works by the American primitive artist **Bill Traylor**, who was born a slave in 1854 and took up drawing at age 85, were sold for a total of $777,700. The presale high estimate was $500,000 for the body of work.

□

The chairman of Britain's Royal Opera House resigned Thursday after a blistering parliamentary report said a "philistine" with financial savvy could do the job better. But while **Lord Chadlington** stepped down, the chief executive, **Mary Allen**, stayed on, even though some of the harshest criticism was directed at her. The Royal Opera House said that all the other members of the board had offered their resignations. The other members are to stay on in a "caretaker" position, under **James Spooner**, the deputy chairman, until a new board can be chosen.

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The house in Berlin where the playwright **Bertolt Brecht** spent his last three years, until 1956, is to reopen to the public Friday after several months of being overhauled. The house, where the Brecht archives are kept, was turned into a museum in 1978 by the East German authorities and has been revamped for the 100th anniversary of Brecht's birth next year.

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Rose Prouser/Reuters
007 Brosnan gets a star.

This is definitely not a good year for VIP pets. After the furor in Britain over the fate of **Humphrey**, the ex-Downing Street cat, Czechs are now up in arms over the eviction of **Dula**, the presidential schnauzer, from the presidential home. The press reported that Dula had been evicted from **President Vaclav Havel's** palace because she was jealous of a newcomer, **Sugar**, a female boxer. Dula once was the favorite pet of Havel's first wife, **Olga**, who died two years ago. Sugar turned up with **Dagmar**, Havel's second wife. But it turns out that Dula has been adopted by a member of Havel's staff, as Humphrey was by a member of **Prime Minister Tony Blair's** household.

□

The latest actor to play 007 is star No. 2,099 on the Hollywood Walk of Fame. **Pierce Brosnan**, who plays James Bond in "Tomorrow Never Dies," his second Bond movie, said he remembered strolling on the street as a tourist 16 years ago. "You never figure you're going to end up on the sidewalk with a star," he said. "This is very cool. But above anything else, it's an honor."

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Alain Delon launched a series of 25 documentary films in Hong Kong on Thursday called "The Best of France." Delon said the aim of the series was to make France "better understood and loved." The documentaries include films on French food, wines, perfumes and monuments.

□

Lawyers for the memorial fund of **Diana, Princess of Wales**, are trying to prevent a film being made about her and her relationship with **Dodi al Fayed**. The lawyers said plans by **Kelvin MacKenzie**, a former editor of the Sun tabloid, to focus on their friendship were "inappropriate and insensitive." MacKenzie called the lawyers' remarks "outrageous censorship" and insisted that the film, "People's Princess," would be made early next year.

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